

Weekly Compilation of
**Presidential
Documents**



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Editor's Note: The President was at the Bush Ranch in Crawford, TX, on March 25, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, March 25, 2005

The President's Radio Address

March 19, 2005

Good morning. On this day 2 years ago, we launched Operation Iraqi Freedom to disarm a brutal regime, free its people, and defend the world from a grave danger.

Before coalition forces arrived, Iraq was ruled by a dictatorship that murdered its own citizens, threatened its neighbors, and defied the world. We knew of Saddam Hussein's record of aggression and support for terror. We knew of his long history of pursuing, even using, weapons of mass destruction, and we know that September the 11th requires our country to think differently. We must and we will confront threats to America before they fully materialize.

Now, because we acted, Iraq's Government is no longer a threat to the world or its own people. Today, the Iraqi people are taking charge of their own destiny. In January, over 8 million Iraqis defied the car bombers and assassins to vote in free elections. This week, Iraq's Transitional National Assembly convened for the first time. These elected leaders broadly represent Iraq's people and include more than 85 women. They will now draft a new constitution for a free and democratic Iraq. In October, that document will be presented to the Iraqi people in a national referendum. Another election is planned for December to choose a permanent constitutional government.

Free governments reflect the culture of the citizens they serve, and that is happening in Iraq. Today, Iraqis can take pride in building a government that answers to its people and honors their country's unique heritage. Millions of Americans saw that pride in an Iraqi woman named Safia Taleb al-Suhail, who sat in the gallery during the State of the Union Address. Eleven years ago, Saddam Hussein's thugs murdered her father. Today, Safia's nation is free, and Saddam Hussein sits in a prison cell. Safia expressed

the gratitude of the Iraqi nation when she embraced the mom of Marine Corps Sergeant Byron Norwood, who was killed in the assault on Fallujah.

To all the brave members of our Armed Forces who have taken part in this historic mission and to your families, I express the heartfelt thanks of the American people. I know that nothing can end the pain of the families who have lost loved ones in this struggle, but they can know that their sacrifice has added to America's security and the freedom of the world.

Iraq's progress toward political freedom has opened a new phase of our work there. We are focusing on our efforts on training the Iraqi security forces. As they become more self-reliant and take on greater security responsibilities, America and its coalition partners will increasingly assume a supporting role. In the end, Iraqis must be able to defend their own country. And we will help that proud, new nation secure its liberty, and then our troops will return home with the honor they have earned.

Today, we're seeing hopeful signs across the broader Middle East. The victory of freedom in Iraq is strengthening a new ally in the war on terror and inspiring democratic reformers from Beirut to Tehran. Today, women can vote in Afghanistan. Palestinians are breaking the old patterns of violence, and hundreds of thousands of Lebanese are rising up to demand their sovereignty and democratic rights. These are landmark events in the history of freedom. Only the fire of liberty can purge the ideologies of murder by offering hope to those who yearn to live free.

The experience of recent years has taught us an important lesson: The survival of liberty in our land increasingly depends on the success of liberty in other lands. Because of our actions, freedom is taking root in Iraq, and the American people are more secure.

Thank you for listening.

NOTE: The address was recorded at 3:52 p.m. on March 18 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on March 19. The transcript was made available by the Office of the Press Secretary on March 19 but was embargoed for release until the broadcast. In his remarks, the President referred to Janet Norwood, mother of Sgt. Byron Norwood, USMC. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on Signing Legislation for the Relief of the Parents of Theresa Marie Schiavo

March 21, 2005

Today I signed into law a bill that will allow Federal courts to hear a claim by or on behalf of Terri Schiavo for violation of her rights relating to the withholding or withdrawal of food, fluids, or medical treatment necessary to sustain her life. In cases like this one, where there are serious questions and substantial doubts, our society, our laws, and our courts should have a presumption in favor of life. This presumption is especially critical for those like Terri Schiavo who live at the mercy of others. I appreciate the bipartisan action by the Members of Congress to pass this bill. I will continue to stand on the side of those defending life for all Americans, including those with disabilities.

NOTE: The statement referred to S. 686, which was assigned Public Law No. 109-3.

Remarks to Seniors in Tucson, Arizona

March 21, 2005

[*The President's remarks are joined in progress.*]

The President. —now it's our turn to sacrifice for future generations, and we are. This world is becoming more peaceful, and it's because we're free. And that's a lesson we've learned from previous generations, that free societies are peaceful societies. You know, I have this great faith in the capacity of freedom to make the world a better place, so I just want to give you a quick foreign policy report and tell you that this world of

ours is getting better as more people become free.

I'm also talking, of course, a lot about Social Security. I think this is a generational issue, and it's a generational issue because your generation has nothing to worry about in terms of getting the promise Government has made. There's just no doubt about it. I know there are some contradictory statements being made; it's just not true. The promise Government has made to those who are retired or near retirement will be kept.

But because the math has changed, because there's a lot of baby boomers like me are getting ready to retire, and we're living longer, and we're getting bigger benefits than the previous generation, and there are fewer workers, we need to worry about not this generation but the next generations.

And that's really what I'm here to tell people in Tucson, is that if you're getting your check, you're fine. If you've got a grandkid, you'd better ask the political people what they intend to do about making sure Social Security, the safety net of Social Security, is available for them. And you know, I'm interested in all ideas. I think that this isn't a Republican issue or a Democrat issue; this is a national issue that requires a national dialog.

So I want to thank you for giving me the chance to come back to the Udall Center. The mayor was telling me what a unique place it is, and he wasn't exaggerating.

Audience member. Yes, it's great.

The President. It is great—well, I hope so.

Are you playing a little cards over there? I've got a little time for some cards. [*Laughter*] Anyway, thanks for letting me come by. I'm looking forward to meeting you all. Thank you. It's a beautiful city you've got here.

NOTE: The President spoke at 10:51 a.m. at the Morris K. Udall Recreation Center. In his remarks, he referred to Mayor Bob Walkup of Tucson, AZ. The press release issued by the Office of the Press Secretary did not include the complete opening remarks of the President. A tape was not available for verification of the content of these remarks.

**Remarks in a Discussion on
Strengthening Social Security in
Tucson**

March 21, 2005

The President. Thank you all. Thanks. Please be seated. Thanks for the warm welcome. It is nice to be back in Tucson. The last time I was here, remember, we were up dealing with forest fires. And hopefully, the Healthy Forest legislation that we got passed, thanks to the help of John and Jon and members of the Arizona congressional delegation, will help us preserve this valuable national treasure.

I'm here today to talk with some distinguished citizens from your State about Social Security. Before I do so, I'd say—I've got some other things I want to talk about. *[Laughter]* First, I want to talk about how much I enjoy working with Senator John McCain. I appreciate the job he's doing for the people of Arizona. And I appreciate Senator Jon Kyl from the great State of Arizona. I'm glad you're being nice to him, because he is on the Senate Finance Committee. *[Laughter]* They're going to write the bill to make sure we have a Social Security system not only available for today's seniors but for the next generation coming up. That's what we're here to talk about. Senator, thank you for your leadership on this issue.

And how about Congressman Jim Kolbe. Appreciate you being here. Jim Kolbe has taken a lead on this issue as well. He's doing something that needs to happen. He's reached across the aisle; he has found a Democrat partner to help come up with some ideas as to how to make sure Social Security is strong for generations to come. I'm proud of your leadership, Jim. I want to thank you. He said he's been working on this issue for quite awhile.

I'm proud that Congressman Trent Franks is with us, and his wife, Josie. Thanks for coming. Congressman John Shadegg is with us. I appreciate you being here, John. You allow people from Colorado in the State? Yes. Well, if that's the case, then why don't we introduce Bob Beauprez, Congressman from Colorado, and Congressman Joel Hefley. McCain said, "Thank you for the water." *[Laughter]*

Speaking about water, I had a fascinating discussion with your mayor about water for Tucson. Mayor Bob Walkup and I actually had talked about water my last trip here. He told me that he was going to work to put a long-term plan in place to make sure this great city and this part of the world has got ample supplies of water. Mr. Mayor, thank you for your vision, and thank you for your hard work on that issue.

I'm proud we've got folks from the state-house here. Secretary of State Jan Brewer is with us. Madam Secretary, thank you for joining us. Good to see you again. The president of the senate and the speaker of the house are with us. We're honored you all are here. Thanks for coming. Good to see you men again. We got supervisors; we got local officials.

Mostly I want to thank the Tucson Chamber of Commerce for hosting this event. I appreciate you being here. Steve Touche and Jack Camper, I'm honored that you all would—and the Chamber members for inviting us to come and have a dialog about a really important issue, which I'm working my way toward. *[Laughter]*

I know you're playing baseball here. I wish the mighty Diamondbacks, with Ken Kendrick, all the best this year. Good to see you, Ken. Thank you, sir. Good luck.

Russell Gursky is with us. Russell, thank you for coming. Russ, why don't you stand up. Hold your applause for Russell. Russell, you right there. Oh, there he is, sorry. This Russell Gursky. He came to the airport. He is a volunteer, 91 years old, still volunteering with the RSVP program to provide help at the Tucson Police Department. I'm honored for your service. Thank you for volunteering, sir.

A couple of issues I do want to talk about. Democrats and Republicans in Congress came together last night to give Terri Schiavo's parents another opportunity to save their daughter's life. This is a complex case with serious issues, but in extraordinary circumstances like this, it is wise to always err on the side of life. I appreciate the work of the Senate and the House to get that bill for me to sign last night at about 1:08—or this morning, at about 1:08.

I also want to say something about the freedom agenda. I appreciate the strong support of Senator McCain, Senator Kyl, members of the congressional delegation for understanding that everyone desires to be free, that deep in everybody's soul is the desire to live in a free society. And they also understand that free societies are peaceful societies and that if you're interested in a peaceful world, which we're interested in, for our children and our grandchildren, the best thing to do is to spread freedom, which is precisely what is taking place. I want to assure you that over the next 4 years, we will work with our friends and allies to encourage those who live under tyranny to be bold and confident and to follow their hearts. We will work with friends and allies to make the world a more peaceful place by spreading freedom.

And freedom is on the march. Just think about what has happened in Afghanistan, for example. Millions went to the polls after they were shackled by the Taliban. We acted in our own self-interest. We upheld doctrine that said, "If you harbor a terrorist, you're equally as guilty as the terrorist." As a result of our action in self-defense and defending America, millions of people in Afghanistan are now free. The first voter in the election was a woman.

The Ukraine had elections. There will be a Palestinian state, a democracy living side by side with our close friend and ally Israel, which will lead to peace. And then in Iraq, millions went to the polls in spite of the terrorists, in spite of the threats. You know why? People long to be free, and if just given the chance, they'll take the risk necessary to be free.

These are exciting times. And I appreciate so very much working with people in the United States Congress who understand the deep desire for all souls, regardless of religion or where they live, to realize the greatest gift the Almighty can provide, and that is freedom to each man and woman in this world.

I've got one other issue I want to talk about. I appreciate the fact that our economy is growing. You've got a, I think, about a 4 percent unemployment rate here in the great State of Arizona. That's a good sign. People are working. Today, more people are working

in America than ever before in our Nation's history. And I want to thank the entrepreneurs who are here and the small-business owners and the dreamers and doers and job creators.

But like you, I'm concerned about our energy prices. I'm concerned about the fact that we're—people are seeing more—paying more at the pump. And so I urge the Congress to stop debating and get an energy bill to my desk. We need an energy bill that encourages more conservation, an energy bill that works on renewable sources of energy, an energy bill that modernizes the electricity grid, an energy bill that allows for environmentally safe exploration for natural gas in our own homeland. We do not need an energy bill that provides tax breaks for oil companies. We need an energy bill that is a—that represents a broad strategy to encourage better use of energy and to find more energy so we become less dependent on foreign sources of energy.

Now, let me talk about Social Security. First of all, right off the bat, I want to tell you, one of my predecessors did a smart thing. Franklin D. Roosevelt did a good thing in creating the Social Security system. The system has provided a safety net for millions of seniors. I want you to hear—you'll hear it more than one time—if you're a person now receiving a Social Security check, nothing will change for you. This United States Government will keep our promise to people who have retired or near retirement. Nothing is going to change. I don't care what the fliers say; I don't care what the ads say; I don't care what the political rhetoric says. If you're getting a check, nobody is going to change the system for you. And that's important for you to hear.

Listen, I can understand people being nervous about a Social Security dialog. You know, sometimes that just means, "Because Bush and McCain and others are talking about it, that means somebody is going to take my check away." It's just not going to happen. The system—the safety net is in good shape for people born prior to 1950.

There are holes in the safety net, however, for a generation of Americans coming up, and I'll explain to you why. The math has changed. The math has changed this way:

Baby boomers like me are getting ready to retire, and there's a lot of us. I turn 62 in 2008—it's a convenient date for me to retire. [Laughter] We're living longer. We're living a lot longer today than people were living when Franklin Roosevelt created the system. You've got a lot of us baby boomers getting ready to retire, and we're living longer. Plus, for years people ran for office saying, "Vote for me; I'm going to increase your Social Security benefits if I get in." And they fulfilled those promises. My generation is going to be getting more—a better benefit package than the previous generation. So you're beginning to get part of the equation: a lot of us, living longer, getting better benefits than the previous generation. But there's not a lot of people putting money in the system anymore.

You see, in 1950, there was 16 to 1 workers—16 workers for every beneficiary paying into the system. It means each worker didn't have much of a load to carry when it came to making sure that somebody who has retired got their benefits. Today, there are 3.3 to 1—3.3 workers paying into the system. Soon, there will be two workers paying in the system. More people getting greater benefits, living longer, and fewer people paying for us. That's a problem. And it's a problem that begins to manifest itself in 2018 when the Social Security system goes into the red.

Now, let me tell you something about the Social Security system. It's not a trust. A lot of people think, well, we're collecting your money and we're holding it for you, and then when you retire, we're going to give it back to you. That's not the way it works. We're collecting your money, and if we've got money left over—in other words, if there's more money than the benefits promised to be paid, in our hands, we're spending it and leaving behind an IOU. That's how it works. It's called—as a pay-as-you-go system. You pay; we go ahead and spend it. [Laughter]

In 2018, the system goes into the red, and every year thereafter, if we don't do anything, if we do not address the problem, it gets worse and worse and worse. To give you an example, in 2027, the system will be \$200 billion in the red—in other words, 200 billion more to pay for the retirements promised to people like me who are living longer than coming in in payroll taxes. And it's 300 billion

about 12 years later. In other words, we've got a problem out there. It's not a problem for me. It's not a problem for one senior in Tucson who's receiving a check today, but it's a problem for your grandchildren.

You see, the question is how your grandchildren are going to pay for these promises the Government has made. And that's what—and that's the problem that Congress must address. See, my attitude is, I'm going to spend a lot of time traveling the country saying, "Here's the problem," and then say to people in Congress, "Bring your ideas."

So in my State of the Union Address, I stood up and said all ideas are on the table except raising up the payroll tax rate—all ideas. See, this isn't a Republican issue or a Democrat issue; this is a national issue that requires people of both parties to give a national response. That's what the people want, and that's what the people expect. The people expect people of good faith to take on an issue today so we can solve it for a generation to come. That's why we ran for office in the first place.

A couple other points I want to make. Laura told me—by the way, she's doing fabulous. I'm a lucky man to have married Laura Bush. She just said, "Make sure you remember there's others on the stage who need to talk too." [Laughter] In other words, "Keep it short." But I'm just getting wound up. I've got a couple other things I want to share with you.

Congress needs to hear from the people that this needs to be a permanent fix. I mean, when we sit down at the table, let's make sure we solve this problem once and for all. Now, in 1983, President Reagan, Tip O'Neill, Bob Dole, I think, other Members of the House and the Senate saw a problem. They came together, and they put together what they call a 75-year fix. The problem is, we're about 22 years after 1983, not 75 years. The math is such that there's no such thing as a 75-year fix. They may tell you there's a 75-year fix, but there's not.

When we sit down at the table, my call to the United States Congress—and I know Senator McCain agrees with me on this—let's fix it once and for all. Let's do our duty and permanently fix Social Security.

I want to share one other idea with you, and then we're going to talk to our panelists here. It's an idea that I know that has been in the news. It's an idea to allow younger workers to take some of your own money and set it aside as a personal savings account. Let me tell you why I like this idea. First of all, it's voluntary. Nobody is saying to a younger worker, you must set aside a personal savings account. We're saying you can if you want to, take some of your payroll taxes and put it aside. After all, it's your money to begin with.

Secondly, a personal savings account in a conservative mix of bonds and stocks will yield a greater rate of return than money that—that your money is earning now. And that's important, because over time, that money grows. Over time, there's a compounding rate of interest. Let me give you an example. If you're a \$35,000-a-year worker over your lifetime, and you're allowed to put a third of your payroll taxes into a personal account, and you start saving at 21, by the time you retire, that account will have accumulated \$250,000. That will help you with retirement. See, money grows, and the better rate of return you get, the more the money grows. And the rate of return we're getting on your money now is abysmal compared to a mix of conservative bonds and stocks. And so, in other words, you get a better deal.

In order to fix permanent—Social Security permanently, there needs to be some things we've got to do, and I've laid them out on the table. But this is a way to make the system work better for the individual. And I think we need to be thinking about the individual when it comes time to making the Social Security system work better, because if you allow a person to take some of their own money and it compounds with a rate of interest, it means the nest egg that person is going to have is going to be more closely tied—more closely resemble that which the Government—the promise the Government can't keep.

You see what I'm saying? In other words, when we fix the system, there're promises the Government has made that it can't keep. But one way to allow an individual worker, if they so choose, to have a retirement system

that's closer to that promise is to allow that worker to get a better rate of return, a better compounding rate of return over time.

Secondly, I think if you own something, you have a vital stake in the future of the country. I think we ought to encourage ownership throughout America. I like the idea of people having their own account that they can manage themselves.

Thirdly, I like the idea of people from all walks of life being able to own an asset and pass it on to whomever they choose. That hasn't been the case throughout our history. If you think about the history of America, only a certain group of people have had assets they pass on. That's not the America I know. We want to encourage ownership throughout our—all our society. You know, they say, "Well, only certain people can invest; this is too difficult." I just don't agree with that. I don't agree there's only a certain investor class in America. I think a society that's a hopeful society is one that encourages all people to own and invest. Please don't tell me only a certain kind of person can invest.

You know how I know that that's not the case? We got this kind of plan already in place, the Federal employee Thrift Savings Plan. I'm not here on stage inventing something new; I'm here saying, if this is good enough for Federal employees to be able to take some of their own money and set it aside in a conservative mix of bonds and stocks, it ought to be good enough for the worker who doesn't work for the Federal Government.

So that's what I think we ought to consider, for the sake of the worker. I think we ought to say, you know, there's a 401(k) culture in America—in other words, more and more people are investing their own money. They know what it's like. Why don't we extend this concept to make it available for younger workers, if they choose to do so. If a younger worker says, "Let me do this," it seems like to make a lot of sense to me for the Federal Government to say, "You bet. We'll give you an opportunity to make sure you get a better deal out of the Social Security system."

And so I'm looking forward to discussing this idea with members of both political parties. It's a powerful idea. A lot of people have

thought about it before me. A lot of Republicans liked it; a lot of Democrats thought it was an interesting idea in the past; and it ought to be on the table.

Now, we've got some people with us who know—they know what they're talking about on this subject, starting with Lee Abdnor. Lee is right here to my left. Lee, tell us what you do.

[At this point, Leanne Abdnor, former member, President's Commission to Strengthen Social Security, made brief remarks.]

The President. What Lee is talking about is when we first got into office in 2001, I think it was, is I asked Senator Daniel Patrick Moynihan, former colleague of John McCain's and Jon Kyl's, from New York, Democrat Senator, to chair a panel on Social Security. I saw it was a problem; others saw it was a problem. And they put together—we put together a group of eight Republicans and eight Democrats who sat down at the table and said, "Why don't we come up with some ideas for Congress to look at."

First of all, I appreciate the spirit. If you noticed, eight Democrats and eight Republicans sat down at the table to discuss things in a positive way. It wasn't to sit down and say, "My party is better than your party, or your party is deficient here." It was to sit down to say, "We care deeply about the future of the United States of America, and so why don't we sit down in the spirit of reform and discuss the issue."

And I want to thank you for serving on the panel, Lee. I presume there was no fist-fights or anything else. *[Laughter]*

[Mrs. Abdnor made further remarks.]

The President. And one of the interesting things that came out of this Commission—there was a guy named Pozen on there; he's a Democrat fellow who put forth some interesting ideas that I know the Congress is looking at, and that we can make sure this system takes care of low-income retirees. In other words, there are ways to make sure the system is progressive. And I appreciated his suggestion, and it's an interesting idea that I know that some in the Senate are looking at and some in the House are looking at.

My point is, it doesn't matter who thinks of the idea. I think it's for the sake of the future of this country that people ought to sit down and put their ideas forward. Somebody who is willing to do so and somebody who understands the need to get the job done is Senator John McCain. I want to thank you. He and I have discussed this issue a lot, and so I'm confident in telling you he cares deeply about the issue and is willing to take the risk necessary to work with people of both parties to get this problem solved.

Welcome, Senator.

[Senator John McCain made brief remarks.]

The President. Thanks, John.

Joan Richardson—Joan, thank you for joining us. Appreciate you coming. Live right here in Tucson?

Joan Richardson. Yes, I do, Mr. President. Thank you.

The President. Nice place?

Mrs. Richardson. It's a pretty good place. I've been here 40 years.

The President. It seems like—40 years?

Mrs. Richardson. It's grown a little bit.

The President. Yes. It's a spectacular place. Tell us about your issues with the Social Security system, if you don't mind.

[Mrs. Richardson, retiree, made further remarks.]

The President. Listen, let me make sure people understand what Joan just said. She's working; she's putting money in the Social Security system. Her husband was too. He passed away. All the money he put into the system didn't go to Joan. She had a choice to make: Either take the survivor benefits as a result of his contributions or the check as a result of her own contributions, but not both. Think about the system. The husband dies early; all the money just disappears into the system. That's not fair, is it?

One reason why you ought to encourage—I think people ought to be allowed to take some of their own money and set it aside so it earns a better rate of return than their own money in the system, a nest egg they call their own, is to take care of situations like this.

Unfortunately, it happens quite often. And a personal account would certainly help, because the—in this case, the husband would have left it for Joan, and she would have something to live on. Now, you can't liquidate your personal account when you retire. It's the interest off your personal account that will complement your Social Security check, no matter how big or little it is, that you're getting from the Federal Government. That's important to remember. But as a pass-through to your family member, Joan could liquidate the account and have lived on that and helped her and her family.

So thanks for sharing that, Joan. I know it was hard, but you did a fine job. I appreciate you being here.

Mrs. Richardson. Thank you, sir.

The President. Mr. Jack Moore, straight out of Tucson, Arizona.

Jack Moore. Thank you, Mr. President.

The President. Welcome.

Mr. Moore. I have lived here in Tucson since 1947.

The President. Really?

Mr. Moore. Except for 2 years of military service.

The President. That must have been like—what was it like in 1947?

Mr. Moore. There were 48,000 people here in those days. [Laughter] I retired—

The President. Did they have a lot of airplanes at the—

Mr. Moore. No. [Laughter]

The President. No.

[Mr. Moore made further remarks, concluding as follows.]

Mr. Moore. Today, I'm very grateful to have that safety net. But I'm also fully aware, sir, that this is not about me; it's about the 30-year-olds today and the children and the grandchildren today, of which I'm happy to say that two, wherever they are, Heather and Alicia—

The President. Don't hide now. There they are. Lousy seats. Wait a minute. [Laughter] You thought they would have got a better seat with their grandfather up here starring the way he is. [Laughter] Sorry about that. I'll talk to the advance man, you know. [Laughter] Blame it on the Chamber. [Laughter]

Go ahead. This is a generational issue. Jack, do you have any concern that you're not going to get your check?

Mr. Moore. Oh, not a bit. This is not about me.

The President. I appreciate him understanding that. Some are concerned you're not going to get your check; I know that. Some seniors hear the debate, and all they think is, "Well, that just means old George W. is going to make sure I don't get my check." That's just not the way it's going to work, folks. And Jack understands that. Once you understand that, if you've got your check here in Arizona, then do you know what the next question is going to be? Just like Jack, "What are you going to do for my grandkids? You've got a problem, Members of Congress, Mr. President; go fix it now so that we don't saddle my grandkids with an unnecessary burden."

I appreciate your spirit, Jack. Thank you.

Mr. Moore. Thank you, sir.

The President. Appreciate that.

Mr. Moore. And if I may, I appreciate you, sir, for your dedication and perseverance and taking on the hard issue such as updating Social Security.

The President. Well, let me tell you my theory on this—not my theory; my view. [Applause] Thank you all, but here's what I believe. I know the Senator believes this—I know Senators believe it; I know Members—these Members of the House believe it. Our job is not to pass problems on to future Presidents or future Congresses. That's not why we ran for office. We ran for office, and we said to the people, "When we see a problem, in good faith we will work together to solve it." That's what we said. This is a problem; now is the time for members of both political parties to work together to solve the problem so that a person like Jack says to Members of the Congress, both parties, "Job well done, you've done what we expected you to do."

Mary-Margaret Raymond, welcome.

Mary-Margaret Raymond. Thank you very much, Mr. President.

The President. I appreciate you being here.

Mrs. Raymond. Oh, my great pleasure.

The President. Well, this is a lot of fun, isn't it? [*Laughter*] It's not exactly what you thought you'd be doing last week, is it?

Mrs. Raymond. Yes.

The President. Oh, it was? Okay. [*Laughter*] Shows you what I don't know. [*Laughter*]

Mrs. Raymond. I've lived—I'm 84 years old, and I've lived in Tucson 80 years.

The President. Hold on for a minute, 80 years?

Mrs. Raymond. Yes.

The President. How many people lived back 80 years ago? [*Laughter*]

Mrs. Raymond. Well, I didn't go to the university 80 years ago, but when I went to the university, I majored in public administration, and the major thing we had to learn about was the Social Security Act, because it passed in 1935. And when I got a degree from the University of Arizona in 1942, during the Second World War, we learned the basic principles of the Social Security Act. And except for the tinkering that they've done with it, it hasn't changed much.

The President. Right, you're right.

Mrs. Raymond. That's not good. [*Laughter*] Your refrigerator has changed—[*laughter*]—your automobile has changed; your education principles have changed. So it's time to look into Social Security. I'm all for you.

I want to say this to my generation, particularly my generation of women: The President and everybody else concerned over this has said, if you're 55 years old and older, it's not going to make any change in what you get from the Social Security. Get off of your stick and quit worrying. What a waste of time. Get busy and learn about it.

The President. It sounds like you were well-educated at the university—are you pulling for the Wildcats in the basketball tournament?

Mrs. Raymond. You bet I'm for the Wildcats. I'm a darn good Wildcat.

I think that the Social Security Act, along with a lot of other things, has many good points. But it needs to be updated.

The President. I appreciate that.

Mrs. Raymond. And I think you are the person that can do it.

The President. Yes, ma'am. [*Laughter*] Thank you. Just tell your friends, I can't do

it alone. That's why I'm traveling the country. I think this is my 17th State since the State of the Union Address. I'm enjoying getting out of Washington. I like coming to places—I like Tucson and talking to folks like Mary-Margaret, and I'm going to continue. It doesn't matter how long it takes for the—I'm going to work as hard as I can to tell the people, these are the facts. I'm not making anything up. These are the facts. And now is the time for people to come together to solve this problem.

Seniors have nothing to worry about. You're going to get your check. But younger folks, the ones they say aren't paying attention to politics—first of all, they are paying attention to politics. But, secondly, younger folks ought to be paying close attention to this issue. This is an issue that's going to affect your pocketbook. And that's why we asked Valerie Gallardo-Weller to join us. Valerie, welcome.

Valerie Gallardo-Weller. Thank you very much.

The President. Proud you're here. Thanks for coming. What are you doing these days? How are you—besides sitting on the stage with McCain, how are you occupying your time? [*Laughter*]

[*Mrs. Gallardo-Weller, dispatcher, Southwest Gas Corp., Phoenix, AZ, made brief remarks.*]

The President. Let me interrupt you there. I'm sorry to interrupt, but let me—I don't remember talking about 401(k)s when we were growing up. As a matter of fact, baby boomers like me really weren't thinking about what's now called a defined contribution plan. In other words, first of all, we never worried about Social Security. We never talked about Social Security. But we were never really thinking about setting aside retirement accounts which we would manage. In other words, when I was 33 years old, I don't think a lot of people my age were talking that way. And now you've got a 33-year-old sitting on the stage with the President saying, "I set up my own 401(k)." In other words, she's investing her own money.

Is that not true?

Mrs. Gallardo-Weller. My father made me. [*Laughter*]

The President. Sometimes dads impart knowledge. [*Laughter*] Girls, remember that, will you? Anyway—[*laughter*].

Mrs. Gallardo-Weller. And I do thank him for it. He's right there.

The President. There he is. Good job, Dad. You're just warming up. You're doing good.

[*Mrs. Gallardo-Weller made further remarks.*]

The President. It's a very interesting statement she just said. It's the new reality of the Social Security system. Do you realize—one time a young person walked up to me and talked about a survey that said young people in America thinks it's more likely they'll see a UFO than to get a Social Security check. [*Laughter*]

Senator McCain. On the issue of personal savings accounts, my friend, I think you should understand that not only do Federal workers but also Members of Congress can avail themselves of it. We can invest in one of five different groups. The average return of those five different groups over many years now has been between 6 and 9 percent. Compare that with the 1.8 percent that is the interest on the money that goes into the Treasury. My friends, this is not the solution to Social Security, but isn't it a way to help everyone's retirement and give them a much better kind of lifestyle than the one they would get under the present system? Private savings accounts work. They have been proven to work not only in America but all over the world, and we ought to really strongly support it.

The President. In other words, what the Senator says, you can't take your money and put it in the lottery. [*Laughter*] You've got a lottery here? You do? Well, you can't use it in the Arizona lottery. You put it in a conservative mix. In other words, there's a range of options. I don't know, are you comfortable with that concept?

Mrs. Gallardo-Weller. Actually, I am. In the 9 years that I've been putting in the most—maximum amount—I work for a good company that matches it, and I thank the Southwest Gas for that—but I've seen, even with the country and the economy going up and down, I've seen a positive rate of return.

The President. And do you get a quarterly statement of what—how do you catch up with—

Mrs. Gallardo-Weller. I do get a quarterly statement, and I can see where things are moving, and it's long term. My 401(k) is not something I'm putting in for now; it's long term. So, from what I understand, your plan pretty much does the same thing.

The President. Well, absolutely. You can't—in other words, if this is a part of a personal—personal accounts are part of the Social Security, you can't pull your money out until it comes time to retire. And then you can't pull out the capital; you pull out the interest and you live on it, and then you leave your money to whomever you want. That's the way it works. It is a long-term hold.

You know, how about the idea of younger folks on a quarterly basis watching their asset base? Now, think about that. Doesn't that make sense for Americans all across this country to open up their mail and say—watch their assets—"Here's my worth." This is a real asset as opposed to a promise that the Government may or may not be able to keep, but an asset, something you call your own.

And let me say one other thing. The more savings that we have available in our economy, the more money available for investment; the more money available for investment, the more our entrepreneurial spirit remains strong; and the stronger the entrepreneurial spirit, the more likely somebody is going to find a job. In other words, encouraging savings is good for our economy.

Listen, I want to thank our panelists. I want to thank you all for coming. I hope you found this to be as interesting a discussion as I did. I hope you all take away from here this—a couple of things. One, if you're a senior, you're going to get your check. Two, we've got a problem for younger Americans. Three, now is the time to solve the problem. The longer we wait, the more difficult it is going to be to solve the problem. And four, there are some interesting ideas that empower the individual, that make the system better for the individual American.

I'm going to keep talking about it. I know the Senator is going to keep talking about it. You talk about it. You talk about it to your friends and neighbors. This is an issue that

the American people will—help decide the future on this issue. I'm absolutely convinced of it, because once the Members of Congress hear from the people that there is a serious problem, the next question from the people is going to be, "What are you going to do about it?" And the Members here—that are here and the Senators that are here, we're ready to work with people to get it done.

I want to thank you for giving us a chance to come and discuss this issue. I want to thank the Chamber. God bless you all.

NOTE: The President spoke at 11:45 a.m. at the Tucson Convention Center. In his remarks, he referred to Mayor Bob Walkup of Tucson, AZ; Arizona Secretary of State Janice K. Brewer; Ken Bennett, president, Arizona State senate; James P. Weiers, speaker, Arizona State house of representatives; Steve Touche, chairman of the board, and John C. "Jack" Camper, president, Tucson Metropolitan Chamber of Commerce; Ken Kendrick, lead general partner, Arizona Diamondbacks; Robert and Mary Schindler, parents of Theresa Marie Schiavo, Florida hospice patient who was receiving nutrition and hydration by tube until it was withheld by court order on March 18; former Senator Bob Dole; and Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

Remarks in a Discussion on Strengthening Social Security in Denver, Colorado March 21, 2005

The President. Thanks for coming. Thanks for the warm welcome. Thanks for greeting me and Senator McCain. He's up here to claim some water, he said. [Laughter]

Audience members. Oo-o-oh!

The President. Never mind. Just an inside joke that didn't work. [Laughter] But we appreciate you coming today. We're going to have a serious dialog on Social Security. It's an issue that requires a lot of dialog and a lot of discussion. And so I want to thank our panelists for joining us. I want to thank you all for your interest in this subject.

Before I begin, I do want to thank Governor Bill Owens and Frances for joining us today. Good to see you all. Congressman Bob Beauprez is with us. Good to see you, Congressman. Thank you, sir. Congressman Joel

Hefley from down the road is with us. Lieutenant Governor Jane Norton is with us. Thanks for coming. The attorney general of the great State of Colorado is with us; thanks for coming, General Suthers. Mark Hillman is with us; Joe Stengel is with us; a lot of people are with us. We appreciate you being here.

I hope you've been as impressed by the spread of freedom as I've been. We believe in America that freedom is not America's gift to the world, but it's the Almighty's gift to every person in the world. That's what we believe. And we shouldn't be surprised. I know some of us were surprised, but we shouldn't be surprised when people are willing to take risk for freedom. If you believe that freedom is etched in every person's soul, then you understand why, in Afghanistan, for example, millions of people, after having been freed from the Taliban, were willing to go to the polls, were willing to say, "We're free, and we want to exercise our right."

The same thing happened in Ukraine. The same thing happened in the Palestinian Territories when they voted for President Abbas. I believe he's committed to democracy. I believe the march of freedom will extend to the Palestinian Territories so that our friend Israel will have a partner in peace, a true democracy in the Palestinian country.

John recently went to Iraq. He was telling me what amazing place Iraq now is. How many times you been there? Two or three times—twice. Things have changed, and things changed not because, necessarily, our decisions; things changed because of courageous Iraqis that were willing to go to the polls in the face of incredible threat, but they wouldn't be denied because people do want to be free.

And it's important for the youngsters here to understand that the march of freedom will yield peace, the peace we want. Free societies are peaceful societies; free societies are hopeful societies; free societies are the best way to defeat the dark vision of the terrorists. And so for the next 4 years, I look forward to working with friends and allies to continue the march of freedom for the sake of peace.

I appreciate the fact that the unemployment rate here in Colorado is 4.9 percent.

The environment—entrepreneurial environment here is strong, and that is good. We've got to keep policies in place to make sure our economy grows. I am concerned, I know you're concerned, about the price of gasoline. You're beginning to see the fact that we haven't had an energy policy in the United States at the pump. I know we need to encourage conservation. I know we need to find alternative sources of energy. I hope someday we can use biodiesel to make us less dependent on foreign sources of energy. I know we need to use our technological capacities not only to protect the environment but to make us less dependent on foreign sources of energy. I know we need to modernize our electricity grid.

In other words, Congress needs to stop debating the energy bill. I know what we don't need—with the price of energy the way it is, I know we don't need tax breaks for oil companies. What we need is an energy plan in order to make sure this economy continues to grow. Congress needs to pass the bill.

But today we're going to talk about Social Security. It's an issue that some are saying, "Why would you want to talk about Social Security? It's a tough political issue." I believe, John believes, people here believe that now is the time to confront a problem, not to pass it on to future Presidents and future Congresses. I mean, if you see a problem, I believe it is incumbent upon a leader to confront that problem.

And let me tell you what I think the problem is. The problem is Social Security has changed since the day that Franklin Roosevelt first thought of it. It has changed because a lot of baby boomers like me are getting ready to retire, and we're living longer, and we've been promised more benefits, but fewer people are paying into the system. We're having less kids.

In 1950, 16 workers were paying for every beneficiary. Today, 3.3 workers are paying for every beneficiary. When younger people start getting ready to retire, it's going to be two workers paying for every beneficiary—fewer people paying for more baby boomers like me, who are living longer and have been promised greater benefits. What's changed is the math. What hasn't changed is the importance of having a good retirement system.

Franklin Roosevelt ought to be applauded for putting a safety net in place for our seniors. This President and the Congress—many in the Congress understand that safety net has got a hole in it. And we're here to talk about how to mend the hole. You see, when you see a problem, I think it's necessary to confront the problem. Because there's fewer workers paying into the system, the Social Security system will go into the red in 2018. That means more money will be going out than coming in.

Now, you probably think—some of you may think there's what they call a Social Security trust: The Government collects the money for you; we hold it for you; and when you retire, we pay it to you. But that's not how it works. You pay your payroll tax; we pay for the people who have retired; and if there's any money left over, we spend it on Government. That's how it works. And what's left is an empty IOU, a piece of paper. Because it's a pay-as-you-go system, when more retirees start retiring, who are living longer, getting paid more, more money starts going out than coming in. In 2027, that deficit will be \$200 billion, and growing greater every year. From 2018 to 2042, the deficits increase every year, the amount of money going out relative to the money coming in. And that's the problem.

We're fine. I'm going to say it once; I'm going to say it as many times as I can: Seniors here in this audience and listening on TV must understand, nothing changes; you're going to get your check. When you hear us talking about Social Security, you must understand that nothing will change for you. For those of us born prior to 1950, the system will not change. The fundamental question is, how—what are we going to do about the next generation coming up? Are we going to saddle them with a huge deficit in Social Security?

Now, that's why I went to the Congress during the State of the Union and said, "We've got a problem." I spent a lot of time describing the problem, but I also said I'm willing to listen to any solution. I'm willing to say, "You've got an idea, bring it forward." As a matter of fact, I think I might have been the best President—first President ever to say, "Here are some ideas for you." First

President—[*laughter*—no, no, no, forget the “best” part. [*Laughter*] First President. Forget it. Just because you’ve got a cowboy hat doesn’t mean you can stand up and yell. [*Laughter*] Thank you.

I said, “Put all ideas on the table.” It doesn’t matter if it’s a Democrat idea, Republican idea. I’m interested in solving the problem, and I’m interested in solving it permanently. We don’t need a temporary fix.

Earlier today in Arizona we were talking about the fact that in 1983, President Reagan and Tip O’Neill and Bob Dole and others stood up and said, “There is a problem. Let’s come together.” And the spirit was an important spirit. But they said it was a 75-year fix at the time. And because the math has changed—baby boomers like me getting ready to retire, living longer, getting bigger benefits—because that changed, we’re now talking about the issue 22 years later. It wasn’t 75 years; it’s essentially less than 75 years.

So you may hear some of them say, “Well, we’ve got a 75-year fix for you.” In my judgment, that’s not good enough. Now is the time to come together to fix this problem for generations to come, permanently.

I’ve got an idea that I think ought to be considered. You’ve heard a lot about it. It’s called personal savings accounts. It wasn’t my idea. As a matter of fact, this is an idea that’s a part of 401(k)s, for example. You get to set aside some of your own money; you manage it in a conservative mix of bonds and stocks. It wasn’t my idea. As a matter of fact, the Federal Government thought of this a long time before I did, and that is Federal workers ought to be allowed to take some of their own money and set it aside in a Federal Thrift Savings Plan where you can invest it in a series of bonds and stocks.

And the reason why people thought that was a good idea is because they understand that you can get a better rate of return on a conservative mix of bonds and stocks than you can if your money is held by the Federal Government. And that rate of return is important for the individual worker, because over time, that grows. It grows; it compounds. It’s called the compounding effect of interest.

Now, let me give you an example. If you were to allow a worker that made \$35,000 over his or her lifetime to take a third of their payroll taxes and put it in a personal savings account and invest it in a conservative mix of bonds and stocks, by the time that person retired, that money would have grown to be a quarter of a million dollars. In other words, that’s how interest grows. That’s how money compounds over time.

Now, when it comes time to fixing the Social Security system, you got to understand the Government can’t keep the promises it made to young workers. And so one way to allow young workers to get a better deal from a permanent fix in the Social Security system is to let them take some of their own money and watch their own money grow, to be a part of a retirement system. In other words, you’re going to get a check from the Social Security system. They can’t tell you how much yet. But you know you can get a check plus your own asset base if you allow people to have a personal savings account.

Secondly, I think it’s important for a society to encourage ownership. I love the idea that more people are owning a home than ever before in our society today. I like it when I hear somebody say, “I own my own business.” The entrepreneurial spirit is strong in Colorado. We got more people owning their own business. I think it makes sense to encourage people to manage their own asset base through the Social Security account. I like the idea of people opening up their quarterly statement and saying, “Well, here’s how—here’s my—here’s what my worth is.” Watching something grow—certainly make people more interested in the fiscal decisions of the Federal Government when they watch their own assets.

I like the idea of saying that you can have your own asset and you can pass it on to whomever you want. I don’t think the system is fair for a couple who are working all their lives, and the husband dies early, and the wife has got either survivor benefits or her own Social Security benefits, whichever is higher, but not both. Think about that kind of system. Both of them work their life—we met a woman today whose husband died at 55. He had worked 30 years of his life, put money in the Social Security system.

Upon his death, she got no benefits because she wasn't 62. They did pay \$255 of burial benefits. He worked all his life; the wife gets \$255 out of it. She retires at 62, gets a bigger check than the survivor benefits. And so the husband's contributions in the Social Security have just gone away.

That's not a fair system. A fair system said that this younger worker, at the time when he was younger, should be allowed, upon his choice—this is a voluntary program, by the way; the Government is not making you set aside money; you can do it if you want—should be allowed to set aside some of his money, in this case. It grows. Upon death, the money goes to the wife. That's fair. It's an asset.

A couple of points I want to make, and then we're going to turn to the panel. Laura told me, "Don't talk too much." [Laughter] She's obviously failed. By the way, she's doing great. She's a fabulous woman.

People say, "What are these—what does this mean, investing?" Well, you can't put it in the lottery. In other words, there's a prescribed investment portfolio, just like the Federal employees do. There's a conservative mix that will get you a better rate of return than what your money is getting at the—in the Federal Government.

Secondly, when you retire, you can't pull all your money out. In other words, it's there to help you retire. The capital stays in place, and you live off the interest plus whatever the Social Security system can afford.

But thirdly, you can leave it to whomever you want, and your heir can liquidate your personal account. That would help the widow, for example, or a child getting ready to go to college, if the mom or dad dies. In other words, this is a way to not only encourage ownership, but it's a way to encourage asset formation for the families of America. We want more people—more people from all walks of life being able to say, "This is my asset, and I choose to leave it to my son or daughter."

Lee Abdnor is with us. Every panel has got to have an expert. In this case, we've got a lot of experts—except for me and McCain—[laughter]—the best Senator. [Laughter] Lee, tell us what you do.

Leanne Abdnor. Thank you, Mr. President. My name is Lee Abdnor, as you said, and I'm from Boulder, Colorado.

The President. I know some people from Boulder.

[At this point, Mrs. Abdnor, former member, President's Commission to Strengthen Social Security, made brief remarks.]

The President. One of the interesting things, Lee—I thought it was interesting to watch this Commission work. Unlike some parts of Washington, this Commission actually said, "We're not here to promote a political party; we're here to help solve a major problem." And it's that spirit—Senator Moynihan did a fabulous job, by the way, of leading this Commission—God rest his soul. But he said, "Look, we're not here to promote any individual person or candidate or party; we're here to do our duty as Americans." It is the spirit of this Commission—in other words, people can sit at the table saying, "I want to hear your idea; bring forth your idea. Every idea ought to be considered." It's that spirit that now needs to take hold in Congress. The American people don't want to see partisan bickering on this issue. They want to see people come together and solve it once and for all. And I want to thank you, Lee, for being here.

Somebody who understands that—somebody who understands the spirit of working together is John McCain, the Senator from Arizona. Thanks for coming, Senator.

Senator John McCain. Thank you, Mr. President. Thank you all for coming today. It's a pleasure to be here to visit our water. And I thank you for the opportunity. [Laughter] Remember, we have so little water in Arizona, the trees chase the dogs, so please send as much as you can. [Laughter] I'm very happy to be with all of you today. Let me just if I could—

The President. Trying to get back?

Senator McCain. Pretty good, huh? Not bad.

The President. It's the tree and the dog thing that got us. We're trying—[laughter].

Senator McCain. I have more. [Laughter]

[Senator McCain made further remarks.]

The President. Good job, John. Thanks. Ready, Norm? All right. Norm Mossoni—glad you're here, Norm. Where do you live?

Norman Mossoni. I live in Louisville, Colorado. I was born in—I was born and raised there, and I'm still there.

The President. Really? You were born in Louisville how many years ago, if I might ask?

Mr. Mossoni. Well, not many, back in 1919, somewhere.

The President. Nineteen hundred and nineteen—that's a long time ago. [*Laughter*] Do you get a Social Security check? You qualify. [*Laughter*]

Mr. Mossoni. Absolutely. And actually, Mr. President, it is a kind of a significant part of my retirement program, along with the other things that I was fortunate enough to be aware of and prepare for, so that it is not a full pension; it's a cushion. You've got to have something else.

The President. Right. But you're counting on it?

Mr. Mossoni. Absolutely.

The President. There's a lot of people like Norm counting on their check. And I understand that; and John understands that; Members of Congress understand that. Social Security is important for a lot of people, and as this debate goes on, I want the people who depend upon Social Security to understand, you're going to get your check. Is that—I hope you understand that, Norm.

Mr. Mossoni. Oh, I absolutely understand it. [*Laughter*]

The President. Because if you didn't understand it, then I'm not making myself clear. [*Laughter*] And I'm going to keep making myself clear until people—the seniors of this country can relax about this debate.

Keep going. You're on a roll. [*Laughter*]

[*Mr. Mossoni made further remarks.*]

The President. He's concerned about his grandchildren enough that he invited his granddaughter, Joleen. This is a generational issue, folks. The generation of Norm and my generation, you won't have anything to worry about. But there's a lot of grandparents who, once they understand that, start saying to the Congress and the President, "How are you going to protect my granddaughter? What

are you going to do about my children? What are you going to do about my grandchildren?" And that's what this issue—this is a generational issue. This is an issue that recognizes the importance of—this generation understands the importance of Social Security. But we also understand we better do something about it for the generation coming up.

Joleen, thanks for coming. Twenty-one years old, sitting right here with the President and the Senator, right on the stage.

Joleen Mossoni. Thank you, sir.

The President. You are a student, where?

Ms. Mossoni. I'm a student at the University of Colorado, a junior studying political science.

The President. Good. Yes, well, this is a little political science exercise right now. This is called taking the message to the people—[*laughter*]—because I believe the people will influence the outcome of this debate.

Here's your chance to influence the outcome of the debate.

[*Ms. Mossoni made further remarks.*]

The President. Right. Well-spoken. Somebody told me about a survey once that said 20-year-old Americans believe they're more likely to see a UFO than get a check. [*Laughter*] It's an interesting dynamic, isn't it? [*Laughter*] Think about the political dynamic there. Once seniors realize nothing is going to change for them, 20-, 30-, 40-year-old Americans are going to have a enormous say in this debate. You need to say loud and clear, "We got a problem. Are you—do you have the political will to fix it for me?"

And I appreciate the idea. I tell you another interesting thing. I know when McCain and I were coming up, we weren't talking about personal accounts or investing our own money. But there is an interesting culture in America. There's a 401(k) culture. There's a group people who are now used to managing their own money. There's a lot of personal involvement in the marketplace from people of all walks in life.

We're not trying to invent something new. We're trying to take what has become a reality and extend it to a Government program. Seems like to me that 401(k)s are working. A lot of people like them. A lot of people

are comfortable with them. Why don't we take that same concept about giving workers the option of taking some of their own money and investing in the market so, as John said, they can get a better rate on their own money. It's not the Government's money to begin with.

So thanks, I appreciate that very much.

Speaking about 401(k)s or 403(b)s, which is the 401(k) equivalent for the nonprofits— isn't that right, Tricia?

Thanks for coming.

Patricia Manley. Thank you.

The President. Tell everybody what happened 3 weeks ago.

Mrs. Manley. My husband, Chris, and I just had our first daughter, Morgan.

The President. Very good, yes.

Mrs. Manley. She's 3 weeks today.

The President. She's here.

Mrs. Manley. She is here, waiting to meet you.

The President. Good, looking forward to seeing Morgan. Oh, there's Morgan. Look at her. Oh, yes. Tell Morgan not to worry, reform is on the way. *[Laughter]*

Go ahead, Trish.

[Mrs. Manley, web strategy manager, National Jewish Medical and Research Center, Denver, CO, made further remarks.]

The President. Yes, that's an interesting thought. People need to listen—people in Congress need to listen. I know a lot of young Americans aren't supposed to be paying attention to politics, they say; but they are. They're beginning to understand that this is going to be a problem for generations to come unless we do something.

Now, are you—a 403(b), which is—which you invest in—some are probably worried about, “Do I have the capacity to invest?” There's this concept of investor class in America, which means only a certain person is capable, kind of an interesting point of view. I, frankly, disagree with that. I totally reject that point of view. But in order to assure people—I mean, when you start looking at investment options, did you find it to be rocket science or something difficult?

Mrs. Manley. No, not at all. And, you know, same thing as with what you're talking about. We have choices. You can't just go

out and dump all your money in the hottest tech stock. You've got a certain number of limited choices that it's not going to disappear tomorrow.

The President. Yes. And you get quarterly statements?

Mrs. Manley. Absolutely.

The President. See, I think it's—I think it would be a wonderful way to encourage people to pay attention to their Government, is to open your quarterly statement and say, “Look at this; look at my assets. They don't seem to be going up so much; maybe we ought to change Presidents or something, you know”—*[laughter]*—or Senators, whatever the case may be. *[Laughter]* Too late, in my case, but nevertheless. *[Laughter]*

You're on a roll. You're doing great.

Mrs. Manley. At the end of the day, one of the things that's attractive about the personal accounts is that even though we've been paying into the system and right now we may not see anything, under those accounts, we would at least get something back from what we've put in. And the other thing that I really like is that at the end of the day, there would be something for us to leave to Morgan.

The President. There you go. Thanks. Great job. Thanks for coming, Tricia. Congratulations. Looking forward to seeing Morgan. This will be the first time a President has kissed her. *[Laughter]* Looking forward to it. I don't know if she is or not, but I am. *[Laughter]*

Our final panelist is Randy Reed, one of the baby boomers. Randy and I—I'm 58; you're 56.

Randolph Reed. Yes, Mr. President.

The President. I'm on the leading edge of the baby boomers. As a matter of fact, interestingly enough, my retirement age comes in 2008. *[Laughter]* Isn't that convenient? *[Laughter]* Back to the trees and the dogs, right? *[Laughter]*

What do you do, Randy?

Mr. Reed. Mr. President, I have a custom picture frame store in Greenwood Village, Colorado.

The President. Your own business?

Mr. Reed. Yes, sir. I own my own business with my wife.

The President. Classic. She's the boss and you're the—

Mr. Reed. I just follow instructions.

The President. That's good. [Laughter] Started your own business, owning your own business—classic American story, isn't it. Making a living?

Mr. Reed. Yes, sir.

The President. That's good. Why are you concerned, besides—you were born before 1950.

Mr. Reed. I was born—yes, Mr. President, I was born before 1950.

The President. You're in good shape. Don't worry about it.

[Mr. Reed made further remarks.]

The President. You know, I hear from a lot of small businesses, and they obviously take great comfort in knowing that at least we're addressing the issue, trying to solve the problem. Can you imagine being a small business, like Randy's, who puts a lot of money into the payroll tax—pays a lot of payroll tax, the company portion of payroll taxes, thinking that, "Well, maybe there won't be a system for the people that I'm contributing toward." And so one of the things that will help the entrepreneurial spirit, at least help the small businesses to know, that we've got the courage to come together to reform the system so that your contributions will work. They'll do what they're intended to do. And part of the payroll tax—the personal accounts coming out of the payroll tax will obviously be a part of what he's contributing to a worker's—half of the worker's payroll tax.

And so this is a big issue for small businesses, folks. I mean, this is a very important part of making sure that the small-business sector remains strong, that we've got to solve this problem now.

You got anything else to add? Any wisdom? You want to sell a product or two? You got a chance here. [Laughter]

Mr. Reed. Yes. What I would like to say, though, Mr. President, is that I'm not looking for a bandaid fix to this. I'd like to see a permanent fix for the Social Security Administration.

The President. Yes, I appreciate you saying that. I think coming to the table—when

we get people to the table, we're talking permanent.

I think that's the spirit of the Congress, don't you, John?

Senator McCain. Yes, sir.

The President. Yes. Listen, I hope you've enjoyed this as much as I have. I want to tell you something. You can influence the outcome of this debate; people here in the audience and people watching on TV can decide whether or not Congress hears the call—hears the call that Senator McCain issued, hears the call that I've issued, hears the call that panelists have issued, which is, "Look, we're concerned. We have a problem. Show us that you're capable of coming together to solve the problem."

My strategy is simple. I'm going to continue to travel this country making it abundantly clear, the nature of the problem, assuring seniors that they have nothing to worry about, because I understand once that sinks in, once people know we have a problem and seniors have nothing to worry about, the question from the people will—going to be, "What are you going to do to fix it?" And I'm more than willing to come to the table and listen to ideas.

Today we discussed some interesting ideas that will help make the Social Security system work better for the individual or, as John said, will help make the system connect to a young generation.

I hope—I'm confident that eventually the will will be there to get something done. I appreciate so much, Senator, your willingness to join in this issue. I love the spirit of somebody saying, "We're not going to pass this on. Now is the time to confront the problem. Now is the time to do our duty as elected officials."

Thank you for your interest in the subject. May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 4:44 p.m. at the Wings Over the Rockies Air and Space Museum. In his remarks, he referred to Gov. Bill Owens of Colorado and his wife, Frances; Lt. Gov. Jane Norton and State Attorney General John W. Suthers of Colorado; Mark Hillman, minority leader, Colorado State senate; Joe Stengel, minority leader, Colorado State house of representatives; President Mahmoud Abbas (Abu Mazen) of

the Palestinian Authority; and former Senator Bob Dole. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to Seniors in Albuquerque, New Mexico

March 22, 2005

The President. Listen, thank you all for letting the Senator and I come by. We're thrilled to be—I'm thrilled to be back in New Mexico. You know, it's right across the border from right where I was raised. But I'm here today to talk about Social Security. I know it's of concern to you; it's of concern to me as well.

My message to people that are getting their Social Security check is pretty simple, and it's this: The Government is going to keep its promise. You don't have to worry about it. I know there are some conflicting messages out there, but it's just not the truth. The truth is you're going to get your checks. The question is whether or not your grandchildren are going to get their checks. [Laughter] And that's what the Senator and I are here to talk about, because we want to make sure that not only is the safety net solid for you but that there is a safety net for your children.

People oftentimes ask me, did Franklin Roosevelt did the right thing with Social Security? And my answer is, absolutely. My predecessor, Franklin Roosevelt, did the right thing in setting up the Social Security system. And now we've got to make sure the Social Security system works for generations. And that's why we're in town—that's why I'm in town; Pete is in town because he lives here. [Laughter]

But thanks for letting us come by. It's great to see you.

Audience member. It's great to see you.

The President. How were the eggs?

Audience member. Marvelous.

Audience member. We have the best cook.

The President. Good.

Senator Pete V. Domenici. We don't get to eat, Mr. President.

The President. No, that's right; we've got to go work. [Laughter]

Audience member. Can I shake your hand?

The President. Yes sir, you can. Thanks for letting us come by.

NOTE: The President spoke at 8:18 a.m. at the Bear Canyon Senior Center. A tape was not available for verification of the content of these remarks.

Remarks in a Discussion on Strengthening Social Security in Albuquerque

March 22, 2005

The President. Thank you, Pete. Thanks for allowing me back in the State. It is very gracious of the people of New Mexico to not only let in a Texan—[laughter]—but to let in somebody from Arizona as well—[laughter]—and from California, I might add.

Listen, thanks, Pete. I appreciate your leadership. Pete, as you know, is a class act. He is a—he loves New Mexico, and he loves our country. We spent a lot of time talking about energy this morning. He and I are deeply concerned about the price of gasoline. We are worried about the trends taking place. We understand that we need to work with Congress to get a bill out that will encourage conservation, encourage alternative sources of energy, encourage research and development to help us use energy in wiser ways; a bill to modernize the electricity grid; a bill to encourage environmentally friendly exploration; all aimed at making America more economically secure and less dependent on foreign sources of energy. And I want to thank you for your leadership, Pete. Thanks for your leadership on the issue.

I'm proud to be here with John—John McCain. We traveled yesterday in Arizona and then Colorado and here in New Mexico. He's fixing to go back home, as am I to Texas. But the reason why I'm so pleased that John came—and you'll—we'll talk to him in a minute—is because he, like Pete, understands now is the time to get something done on the big issue of Social Security.

I'm also pleased he's here because John has been one of the true stalwarts in understanding what I call the freedom agenda. For

the youngsters here, I want you to understand that you're now living in an historic time. Freedom is changing the world. We acted to secure our country, upheld doctrine—by upholding doctrine, and we said to the Taliban, "If you harbor a terrorist, you're equally as guilty as the terrorist." We moved to uphold the doctrine and protect America, but in so doing, we liberated millions of people from the clutches of a barbaric regime. And millions of people in Afghanistan went to the polls to vote for their leadership for the first time in 5,000 years.

I believe there will be a democracy in the Palestinian Territories, and that's essential to achieve the peace with our friend and ally Israel. I was inspired by the elections in the Ukraine. I've been very inspired by the courage of the Iraqi citizens, who in the face of terrorist threats said, "We're going to be free," and they went to the polls. These are important events because free societies will be peaceful societies. As freedom spreads, the world becomes more peaceful. And I believe we're now laying the foundations for peace to come for a generation of Americans that are growing up now, and that's an important legacy.

I want to thank those who have worn our uniform. I want to thank those who are wearing the uniform. I want to thank the family members who support those who wear the uniform. I want to thank the Members of the Congress who clearly see the vision of a peaceful world.

I appreciate the Young at Heart Choir for joining us. We should have gotten here earlier, but Pete and I went over to a retirement center, and we wanted to say hello to the folks there. My message to them was, just like my message is going to be several times today, if you're getting a Social Security check, you're going to keep getting your check. I don't care what they're telling you; I don't care what the fine print in the political ads say, you will get your check. The Government is going to keep its promise. So you may hear me say that a couple of times today because I know how important that is for the people who are getting a Social Security check to hear that message.

I also want to tell you that Laura sends her best. I spoke to her this morning. She

is—I said, "How's everything at the ranch?" She said, "Barney is doing fine." [Laughter] I'm looking forward to spending Easter in Texas. It's a joy to get out of the Nation's Capital. I love my job, but I also like to get out amongst the people. I like to get home. I like to remember—to go back to my roots, where I was from. But I also like to come to places that—like Albuquerque because I believe that it's important for those of us in elected office to tell the people what's on our mind, to explain issues.

Now, let me start off on Social Security by telling you I believe the President's job and I believe Senators' jobs are to confront problems, not to pass them on to future Presidents and future Congresses. I believe that is why we get elected in the first place.

We have a problem in Social Security. Franklin Roosevelt did a good thing when he created the Social Security system, and it has worked for a lot of folks. Social Security has provided an important safety net for many, many senior citizens. But what I want to explain to you—and I think others will here as well—is that times have changed. The math has changed on Social Security. In other words—let me put it to you this way: There's a lot of people getting ready to retire called baby boomers. I'm one. I was born in 1946. My retirement age—I reach retirement age in 2008. It turns out to be a convenient moment. [Laughter] There's a lot of people like me that are starting to retire in 2008. There is a bulge, baby boomer bulge, a lot of us.

Interestingly enough, we are now living longer than previous generations. When Social Security was first started, life expectancy was a heck of a lot lower than it is today. Plus, many politicians in previous years ran for office saying, "Vote for me. I will increase your Social Security benefits. In other words, I'll increase the promises." So my generation has been promised more benefits than the previous generation. A lot of us, living longer, getting paid more money, with fewer people paying into the system—that's the other side of the equation.

This chart, for example, shows in the 1950s there were 16 workers for every beneficiary. In other words, the load was pretty light. Today, it's 3.3 to 1 workers—in other words,

3.3 workers to every beneficiary. You got a lot of us living longer, getting greater benefits, with fewer people paying the load, see. And pretty soon it's going to be 2 to 1. And so you can imagine, longer life with greater beneficiaries—in other words, the obligations are increasing quite dramatically with fewer people carrying the load. And guess who gets to carry the load? The young workers.

And the fundamental question—this isn't an issue, frankly, about the older generation. You're going to get your check. You're in good shape. It's really an issue of whether or not this Government and this country understands the burden we're going to place on young Americans coming up. That's what the issue is all about.

And here is the burden. This is a pay-as-you-go system: Money goes in, and it goes out. Somebody probably thinks, "Well, there's a trust"—in other words, we're taking your money and we'll hold it for you, and then when you retire we give it back to you. That's not how it works. It's pay-as-you-go: The money comes in, and we go ahead and pay. We pay for a lot of things other than Social Security. The retirement checks are sent out, and if there's money left over, it goes to fund all aspects of Government. And what is left behind is a piece of paper, an IOU.

In 1983, because the math has changed, more money will be going out than coming in for Social Security. People will be paying payroll taxes, but because baby boomers like me are retired and we're living longer and we're getting bigger benefits than the previous generation, the system turns into the red. And every year thereafter, if we don't do anything, it gets worse and worse and worse.

To give you a sense of how big the problem will be for a younger generation and younger workers, in 2027 we'll be \$200 billion in the hole. That's 200 billion more than coming in for payroll taxes. It will be bigger in 2028, 2029, and in the 2030s it gets up to 300 billion. So you're getting a sense of the magnitude of the problem. Unlike the old days, when 16 workers would pay into the system for every beneficiary, it was a manageable

issue; the math worked. The math doesn't work now.

And that's why I went in front of the Congress and said, "Folks, we got to do something now before it's too late." The experts will tell you the longer we wait, the harder it is to get the problem solved. And so that's why I'm traveling the country. I'm saying two things right off the bat: One, we have got a serious problem for younger generations; and two, if you're getting your check, if you're born prior to 1950, the Government is going to keep its promise to you, nothing changes.

Now, at my State of the Union, I said to the Congress, "I'm willing to listen to any good idea." I said, "Bring your ideas forward, please." In order to solve this problem, it's not going to be a Republican idea or a Democrat idea, it's going to be an American idea brought forth by both—either Republicans or Democrats or both. That's what needs to be done on this issue. That's what we got to do to fix it permanently.

I'm confident John will talk about the spirit of the 1983 agreement, but let me just say right quick, in 1983, President Reagan, Tip O'Neill, and others came together and said, "Hey, we got a problem. Let's fix it." It was a 75-year fix, but nevertheless it was a very positive spirit that got people to the table. The problem with the 75-year fix is here we are in 2005—it's 22 years after 1983; it's not exactly 75 years. The reason I bring that point up is when you hear them talking about a 75-year fix in Washington, the math doesn't work. If we're going to fix it, let's fix it forever, is what I'm saying to Members of Congress. Let's come to the table—all ideas are on the table—and let's get this problem solved once and for all.

Now, I've got an idea that I think the American people ought to seriously consider, and that is younger workers ought to be allowed to set aside some of their own money in a personal savings account as a part of the Social Security system—not the way to fix the system; it's going to require other matters to fix the system—but as a way to make the system better for the individual worker.

Let me tell you why I like the idea, and then we're going to get to our panelists. First, I like voluntary ideas. In other words, if you

so choose, you should have the option. The Government is not going to say, "You must do this," but if this is an appealing idea for you, then you ought to be allowed to take some of your own money and set it aside in a personal savings account that you own yourself.

Secondly, the rate of return in a conservative mix—and notice I say "conservative mix"—of bonds and stocks is greater than that which the Government earns with your money. And that rate of return, the bigger rate of return, is important, because over time, if you hold it, your money grows, see. And it's that growth, that compounding rate of interest, that will make the system better for the individual worker.

Let me just give you an idea. If you're earning \$35,000 over your lifetime, and, say, the system says you can take a third of your payroll taxes and put it in a personal account and in a conservative mix of bonds and stocks, that will yield you, over your lifetime, when you get ready to retire, \$250,000, see. And the way the system would work is that 250,000 is yours; you live off the interest off the 250 plus that which the Government can afford to pay you.

Now, another benefit of having your own personal account is that it's yours. It's real. It's not an IOU from one form—part of Government to the other, like the current system does. It's your asset. It's something you own. And I like the idea of encouraging ownership throughout all walks of life. You can leave it to whomever you want. You see, it will help you in your retirement. You can't liquidate the plan upon retirement because it's a part of the retirement system. But your estate, you can leave it to whomever you want. You want to leave it to your daughter, fine. Leave it to—you want to leave it to Colin, your son, leave it to your son. And then that person can use it for whatever he or she chooses.

Secondly, it's—or thirdly, this is fair for families. The way the current system works today, if you got two folks working in the family, they're both contributing to Social Security, the husband or wife dies young, the spouse either gets either the survivor benefits or his or her own Social Security check, which is ever higher, but not both. You see what I'm saying? I'm saying both contribute

to the system, but if only one is living—in other words, a lot of folks die young, unfortunately, in America—it means that the spouse is only going to get the benefits of one person's contribution, not both. That doesn't seem fair to me. If somebody has worked all their life, or 30 years of their life, and dies early, it seems like that contribution ought to be worth something to the family.

And that's what a personal account will do. It will allow you to earn some money; it grows over time; and if you pass away early, it's an asset you can pass on to help your widow or your children get an education.

A couple other points—and Laura always tells me to make sure I don't talk too much. Sometimes I listen; sometimes I don't—anyway—[laughter]. You're happy to hear I listened today. A couple other points I want to make to you. First of all, you noticed I've been saying a "conservative mix" of bonds and stocks. In other words, you can't take your money and put it in a lottery. You can't take it to the track. There is a—there's a way that you invest in a—that will get you a good rate of return without, obviously, risking your retirement.

And you know why I feel—I speak confidently about this subject on being able to have a rational plan for people to be able to get a better rate of return, because this isn't a new idea. It's a new idea to apply it to Social Security, but it's an old idea. The Federal employee Thrift Savings Plan allows for Federal employees to do just what I'm describing to you, take some of their own money, set it aside so their money grows faster.

My attitude is pretty clear on this one. I said if Congress thinks it's good enough for the Federal employees, including themselves, sure seems good enough for the average worker in America. And so I'm talking about these ideas as a way to make the system work better for an individual worker as a mix, as a part of an overall solution, permanent solution, because I believe all ideas ought to be on the table. And I think the American people want all ideas on the table. I think the American people expect members of both political parties to come and negotiate in good faith with all ideas on the table, in order to solve this issue permanently.

Joining us today is a really interesting soul named Fidel Vargas. Fidel is from the great State of California. Fidel is a person I got to know because, interestingly enough, in 2001, I anticipated that—I actually campaigned on the issues. It wasn't much of an anticipation on my part; I was following through on what I said I would do and take a serious look at solving the Social Security solvency issue. And I put together a bipartisan Commission, of which Fidel was one.

Fidel, you are a Republican or Democrat on that Commission?

Fidel Vargas. I'm a Democrat.

The President. Welcome, welcome. Tell you something interesting about Fidel, he was *alcalde*—he was the mayor of a city in California—at what age?

Mr. Vargas. Twenty-three.

The President. Yes, the guy peaked a little early, didn't he, you know. Anyway, Fidel, welcome. Thanks. Tell us about your experiences on the board, if you don't mind.

[At this point, Mr. Vargas, former member, President's Commission to Strengthen Social Security, made further remarks.]

The President. Thank you. Thanks very much.

Mr. Vargas. And just to give a background, again, I said I was a Democrat. I know, I thought being from California was going to be bad, but—[laughter].

The President. A lot of Democrats out here. There's people interested in this issue, Fidel.

Mr. Vargas. Yes, that's good. That's good, because I am a Democrat, and I was telling the President I'm a progressive Democrat and a big fan of FDR and a big fan of people like Senator Moynihan, who I served with on the Commission. And yet, I realize that this is an issue that has to be addressed by all.

[Mr. Vargas continued his remarks.]

The President. Think about that, a payroll tax at 20 percent. If you're a young worker, a young American, you better be listening to the problem. The problem is, you'll be saddled with a 20-percent payroll tax. That's not going to work. That would be terrible

for the economy. It would be terrible for your pocketbooks. Sorry. You got my attention.

Mr. Vargas. And my—no, absolutely. It got my attention, too, when I heard that. Or cut benefits for future generations.

[Mr. Vargas continued his remarks.]

The President. Let me say one thing on that, sorry. There was a guy named Pozen on the Commission who has come up with some interesting ideas to make the system progressive for future retirees. And we accept that concept. It makes a lot of sense. In other words, there's ways to design the system to be fair to people who are particularly at the low-income scale. And I appreciate your work on that. I know you had a lot to do with that, and it's an idea that a lot of people in Congress are taking a serious look at, and we welcome that idea.

[Mr. Vargas made further remarks.]

The President. Yes, Fidel, thanks. What a wonderful contribution that you made individually, that the Commission made to this debate. There's some ideas that they put on the table that will help permanently solve the issue. But more—as importantly, they set a clear example of how people should work together. Again, I repeat to you, this is going to require a focused effort by people—leaders on both sides of the aisle to come together with good ideas to do what the people expect us to do.

Somebody who understands that clearly, besides Pete Domenici, is John McCain. I appreciate you coming, Senator.

Senator John McCain. Thank you very much, Mr. President.

The President. Glad to have—glad you came back.

Senator McCain. Thank you, and thank you for this time I've been able to spend with you on this very important issue. And by the way, I like his tie today, don't you? [Laughter]

The President. Part of the Social Security uniform, yes. [Laughter]

[Senator McCain made further remarks.]

The President. John, thanks very much. I appreciate you coming. The spirit of the Commission, the spirit of the Senator is the

spirit that's needed to fix this, and that is people of good will need to sit down. Here's what I believe. I remember this issue, people saying, "Well, you better not talk about the issue; there will be a bad political consequence." I believe there will be a bad political consequence for people who are unwilling to sit down and talk about the issue. I think the American people expect people from both parties to stand up and take the lead and solve this issue for generations to come; that's what I believe.

Speaking about generations and generations to come, we've got Margaret Valdez with us. Margaret, thanks. First, I want to thank you for being a schoolteacher.

Margaret Valdez. I'm Margaret Valdez, as he said. I'm a retired schoolteacher. I get a retirement pension. I also get Social Security. I am 78 years of age, and therefore I get Social Security.

The President. I don't believe it. I don't believe it. Where did you teach school?

Mrs. Valdez. I was a teacher in the Espanola school system. I was a science teacher and retired after 28 years of teaching.

The President. Well, thanks for teaching. By the way, anybody out there want to serve the country, go ahead and be a teacher. It's a great way to serve the country.

Anyway, you're getting a Social Security check.

Mrs. Valdez. I sure do.

The President. And you need it.

Mrs. Valdez. And I need it.

The President. You've got to—the reason why Margaret's point is an important point, we understand—I understand; John understands; Pete understands—a lot of people rely upon the check. It's an important part of their life. That's why none of us want to put a system in place that touches that check. It's essential that you hear that.

Are you worried about getting your check, Margaret?

Mrs. Valdez. I am not worried at all.

The President. Good.

Mrs. Valdez. I have assured my friends and people—in fact, Senator Domenici and I, at one time, were on the same stage, assuring the people that nothing was going to happen to your Social Security.

The President. You can rest assured your assurance is good. [Laughter]

[Mrs. Valdez made further remarks.]

The President. No, I agree. In other words, what—Margaret's concern is, will the safety net that exists today for the seniors be around for a younger generation? It's really an issue—this is a generational issue, folks. It really is. The generation now receiving the checks can rest assured you're going to get your check. And what's going to end up happening is, once that assurance sinks in, your generation is going to start saying, "What are you going to do about my grandkids?" That's why it's a generational issue.

Speaking about grandkids, you've invited one to join us, haven't you?

Mrs. Valdez. Yes, I sure did. I have to introduce to you my oldest granddaughter, Jessica Valdez.

The President. Thank you for coming, Jessica.

Jessica Valdez. Thank you, Mr. President.

The President. Great grandmother you got here, right?

Ms. Valdez. Yes, yes, she's great.

The President. That's good.

Ms. Valdez. She's concerned about my future. I'm only 24 years old and a recent graduate from the University of New Mexico.

The President. Congratulations. Very good. Proud of you.

Ms. Valdez. I'm sorry?

The President. I'm proud of you. That's great.

Ms. Valdez. Thank you. Thank you. I'm currently in the process of applying to medical school, so because I have not yet started my professional career, I have not yet started thinking about retirement. But I have been working since I was 16 and therefore paying into the system every two weeks, seeing it taken out of my check since I was 16.

The President. So you're aware of the fact that you're contributing to take care of the grandmom, and pretty soon starting taking care of me—[laughter]—and the baby boomers.

Ms. Valdez. I am aware of that. I'm also aware that if the current system does not change, when I do become of age to retire,

more than likely I will not have any money that I have paid into the system.

The President. You know what's really interesting—this is an appropriate State to say this, Pete—that an interesting survey one person Jessica's age told me about said young Americans believe it's more likely they will see a UFO than get a Social Security check. [Laughter] Kind of makes for an interesting dynamic, doesn't it, in the process.

Ms. Valdez. Yes, it does.

The President. See, if a lot of young Americans believe that, once they get assured that their grandparents are going to get their checks, the second question they'll ask—the first question is, “Will my grandmother get the check?” The second question is, “What are you going to do for me, Congress? What are you going to do to make sure that I don't have a huge burden when I'm coming up—20 percent payroll tax, perhaps? No benefits? UFO flying before checks fly?” [Laughter]

A lot of people your age starting to talk about this, Jessica, do you know?

Ms. Valdez. Yes, yes, they are.

The President. Good, I hope so.

[Ms. Valdez made further remarks.]

The President. Yes, 401(k), it's an interesting thought. I don't remember talking about them when I was 24. Do you? No, which goes to show there's an investor culture beginning to grow in America. It's changing.

Ms. Valdez. Yes, well, we need to save for ourselves in case it's not there for someone to save for us.

The President. Yes. See, Fidel said something really interesting that caught my attention: There is what's known as kind of the investor class, like only certain people are investors in America. To me, that's a notion that's just not American, nor is it something I agree with. I think all people should be encouraged to be investors. I think the more people that own something, as Fidel said, the better off our society will be.

And that hasn't been the case in our society. The truth of the matter is, some segments of our society have not had asset bases to pass on from one generation to the next. And it has been a limiting part of the U.S.

experience. So here we have a young lady talking about 401(k)s and willingness to invest, and, “I want to manage my own money.” Things are changing here, folks. And all we're saying, in terms of considering an interesting idea, is take what's happening in the society and applying it to the Federal retirement system called Social Security. That's what we're talking about.

Ray Zamora—thank you very much for coming.

Ms. Valdez. Thank you. Thank you very much.

The President. I think—I hope that people get the picture: grandmother worried about granddaughter; granddaughter happy that grandmother is going to get the check, worried that she's going to see the check or whether she can afford paying into the system. And that's the dynamic, and that's the issue that this country must confront head on.

This isn't a political issue. This isn't Democrats trying to get ahead of Republicans or Republicans trying to get ahead of Democrats. If that's the spirit in Washington, nothing is going to get done. But I can assure you, people on this stage are trying to get that spirit out of the system. We're trying to elevate this debate and focus on what's right for the American people.

Ray Zamora is here, small-business owner.

Raymond Zamora. Thank you, Mr. President.

The President. Is that an accurate statement?

Mr. Zamora. Small-business owner.

The President. Good, yes. What's the name of it?

Mr. Zamora. My name is Ray Zamora. I'm married, have three children. I own a local construction company, Anchorbuilt. We currently employ 10 employees.

The President. Good. What do you do?

Mr. Zamora. We do—

The President. Build anchors? [Laughter]

Mr. Zamora. It's really where—the basis started with my wife. It's a long story.

The President. Okay.

Mr. Zamora. As far as the name goes, play on words. And we do mainly institutional construction and commercial.

The President. Good, good. Business all right?

Mr. Zamora. Business is very good in Albuquerque, New Mexico. It's booming.

The President. Yes, good. Do you realize—I hope you realize, folks, that most new jobs are created by small-business owners like Ray. Don't you like the idea of somebody sitting up here with the President and two Senators saying, "I own my own business"? Go ahead.

Mr. Zamora. My biggest concern with Social Security right now is, as an employer we see both sides, paying out as an employer to the Social Security tax and also see the employee payout. And our biggest concern would be that taxes would increase, and that would have a negative impact on us as a small business.

The President. Yes, so he's hearing what Fidel just said. He's been studying the issue. He sees there's a cash deficiency, and he figures rightly that in order to make up for the cash deficiency, if we wait long, one of the options is going to be to run up his payroll tax, which not only affects the worker but it affects the employer, particularly the small-business owner. Isn't that right?

Mr. Zamora. Yes, sir. It affects us. And I believe that with the Social Security growth potential that an employee would have, it would complement any 401(k) or any other investment opportunities that they would have. It would have a positive impact on them.

The President. Yes, we hear from small-business owners on this issue. You know, it's a pretty healthy chunk to put their part of the payroll tax—to pay the payroll tax for a small business. Ten employees, guy is making a good living, but taxes coming out, and it's a big, significant part of their contribution into the tax—to the kitty.

And so I hear from small-business owners saying, "Don't you think you better fix this thing now, before it's too late, just to make sure the contributions I made, the hard work that we've all done together and we've put it in the plan doesn't just go out the window?" Isn't that right?

Mr. Zamora. Yes, it is.

The President. I'm leading the witness here. [Laughter]

Mr. Zamora. Yes, it is.

The President. Not even a lawyer. [Laughter] Well, I appreciate you coming.

Mr. Zamora. Thank you, Mr. President.

The President. Honored you're here. Good luck in your business. Thanks for being a risktaker and an entrepreneur.

By the way, let me say something about entrepreneurs. I'm violating the Laura rule; I'm talking too much. [Laughter] But I think the salient points are—and I know they keep popping in my head; we'll find out how salient they are—in order for the entrepreneurial spirit to remain strong in America, public policy must encourage more savings. The more people save, the more capital is available; the more capital available, the more investment is available; and the more investment available, the more growth there will be; the more growth there will be, the more jobs there will be. The idea of encouraging personal savings accounts will make more capital available to a system, and the entrepreneurial spirit will be stronger, not weaker. And that's another benefit of encouraging personal accounts.

Our final participant, Terri Walter.

Terri Walter. Yes.

The President. That's you. [Laughter]

Ms. Walter. That's my name.

The President. Thanks for coming.

Ms. Walter. You're welcome. Thank you for having me.

The President. She has the hardest job in America, being a single mom.

Ms. Walter. Single mother.

The President. Thanks for coming. Single mother to whom?

Ms. Walter. His name is Colin. He's 3. He'll be 4 next month.

The President. Great. Better than being 2, I guess, isn't it? [Laughter]

Ms. Walter. Maybe not.

The President. Maybe not—well, just wait for teenager. [Laughter] You are concerned about Social Security.

Ms. Walter. I am. I am—I will graduate next month with my master's degree as a physician assistant.

The President. Awesome, thank you. Congratulations.

[Ms. Walter made further remarks.]

The President. That's the spirit of personal accounts. That's the spirit of a single mom saying, "Can Government make it easier for me to do my duty, not only make sure that I can survive in the older years but, also, will I have an asset to pass on to Colin?" It's really what it's all about, isn't it, encouraging ownership and assets to pass on from one generation to the next.

Let me ask you something—401(k)—people know, of course, what that is, right—401(k), it's a common term now. Everybody understands what a 401(k) is. That wasn't always the case. It wasn't all that long ago that you said "401(k)" and people thought you were talking numbers and one letter out of the alphabet and that's all it meant. Let me ask you something. When you first got your 401(k), was it hard to invest?

Ms. Walter. No, not a lot. There's a lot of guidance in it. You're given options between stocks and bonds and it's made very clear at the setup, at the beginning, and very little to do after that.

The President. You see, that's really important for people to understand. You hear this, you know, "Oh, maybe it's too hard for some in our society to invest." That's kind of the old attitude that only a certain kind of person can invest. "Maybe it's too difficult." It's not too difficult. Matter of fact, it's quite—it's made quite easy.

Ms. Walter. Yes, it is.

The President. And you get quarterly statements?

Ms. Walter. Absolutely. You can follow—that's the empowering part. You can see what you're doing with your money.

The President. Yes, how about that. Don't we want that throughout all society, the idea of people opening a quarterly statement? I can think of a couple of positive things when somebody opens up their own savings and says, "I want to see how my assets are doing." One is, it will cause you to pay attention to what Government is doing. All of a sudden, tax policy, spending policy, debt policy—all of a sudden it makes a lot more sense to you if the effects of Government affect your asset base. Secondly, I think it makes a lot

of sense for people just to watch things grow. And we want that extended throughout our society.

I love the idea of Terri Walter saying to the President, "I'm comfortable about making investments." And that's what planners and policymakers in Washington must understand. This is an empowering idea. This enriches a person's life. This is a way to make the system work better for Terri Walter, who's got the hardest job in America, raising her son, Colin. And she just said in camera, "I'm not worried about making the investments; they make it quite simple." But what she doesn't want, I presume, is her money not earning a rate of return that she can get like she's getting in her 401(k).

Ms. Walter. Exactly.

The President. Yes, see, there we go. I hope people are listening carefully to this discussion and the dialog that's taking place. We've got people from all aspects of our society sitting here on stage saying to those of us who have been charged with the responsibility of taking on tough problems, "Get after it now, before it's too late." And people are saying, "Trust us with our own money. Give us a chance to build up our own assets, earn a better rate of return," so that when it comes time for younger Americans to retire, the retirement system works better for them.

The safety net works for our seniors. The safety net is in place for those who are receiving a check today; you have nothing to worry about. There's a hole in the safety net for a generation to come. And our charge and our duty is to mend that hole in the safety net so that the American people will say, "Job well done. You did what we expected you to do and reformed Social Security for generations to come."

Thanks for coming. God bless. God bless our country.

NOTE: The President spoke at 9:05 a.m. in the Kiva Auditorium. In his remarks, he referred to Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

**The President's News Conference
With President Vicente Fox of
Mexico and Prime Minister Paul
Martin of Canada in Waco, Texas**
March 23, 2005

President Bush. Thank you all for coming. It's my honor to welcome two friends to Baylor University. First, I want to thank the Baylor University family for providing these facilities for us. Your hospitality is awesome.

I appreciate the meetings we just had. Our relationships are important today. We intend to keep our relationships strong. Our relationships will be equally important for the years to come.

And so we had a good discussion about prosperity and security. And it turns out the two go hand in hand. It's important for us to work to make sure our countries are safe and secure, in order that our people can live in peace as well as our economies can grow. We've got a lot of trade with each other, and we intend to keep it that way. We've got a lot of crossings of the border. I intend to make our borders more secure and facilitate legal traffic.

We've got a lot to do. So we charged our ministers with the task of figuring out how best to keep this relationship—these relationships vibrant and strong. And I appreciate the commitment of the Prime Minister and the President toward a spirit of partnership to outlast whatever politics may occur; that puts in place a firm commitment to markets and democracy and freedom and trade and mutual prosperity and mutual security.

And so I want to welcome our friends. After we go through this exercise of democracy—that being answering your questions—I'm looking forward to hosting them to the ranch for a little lunch and a further discussion. We'll be spending time talking about the neighborhood, the countries in our region, and how best we can work together to make sure that democracy is firmly a part of the future of this neighborhood of ours.

And so, Mr. President, welcome. The podium is yours, sir.

President Fox. Thank you very much, President Bush. I want to also extend a greeting to Prime Minister Paul Martin and my

gratitude for this wonderful reception, for this wonderful facility here at Baylor University, and, of course, my gratitude to the authorities here in Waco, the venue of this important event.

Today we have met to hold a very important encounter that has to do with the future of our nations. In the last decade, trade between our countries, the flows of investment, of the creation of jobs have held a good pace. And these efforts have been successful thanks to NAFTA. This bilateral cooperation, this trilateral cooperation has now become strengthened, and it has expanded. But above all, we are making progress on a daily basis toward greater understanding, toward greater knowledge and greater cooperation between our three Governments and our three countries.

Through the Partnership for Security and Prosperity and the quality of life of North America, today we begin a new phase. We are in a world that is constantly changing and that demands that we meet the new challenges and opportunities. We also face new threats that carry a risk for our societies. But we also want to work toward the good performance of our economies. This is why my Government is working toward a true coordination with our partners in North America. We are seeking an objective balance between the concerns that have to do with security and those that have to do with having a good and agile flow of goods and people across the borders.

North America should be the most competitive region in the world. It should be the safest region in the world. And 10 years ago, we took a great step in that direction. As Governments, we are obligated to turn this objective into a permanent process, to continue taking steps forward. This Partnership for Security, this Partnership for Prosperity, for the quality of life can have no other objective beyond improving the quality of life, itself, and the development of our peoples and of our societies.

Today my friend from Canada, Mr. Paul Martin, and the President of the United States, George Bush, all of us feel proud to present this joint statement to you. It reflects a shared vision for North America that will

be a framework for cooperation, for partnership between our Governments and nations.

Thank you.

Prime Minister Martin. Good afternoon. It's a real pleasure to be here in Texas and to stand with President Bush and President Fox as representatives of a strong North America. We represent three sovereign nations that have formed one of the most successful partnerships in the world.

That being said, we also recognize that we cannot be complacent. The world is not standing still. New economic powerhouses such as China and India are rising, and we face new opportunities, but we also face new challenges. And this requires a new partnership, stronger, more dynamic, one that is focused on the future. We are determined to forge the next generation of our continent's success. Now, that's our destination. The Security and Prosperity Partnership that we are launching today is the roadmap to getting there.

I'm going to be a little longer than you were, President Bush, because I've got to do this in two languages. *[Laughter]*

Here in North America, we have many achievements to celebrate. But we do know that we cannot be complacent. The world does not stand still. New opportunities present themselves, as well as new challenges, as well as threats. In a world in constant change, we need a renewed partnership, more strong, dynamic. And we must have a roadmap that will bring us there. The roadmap is the North American Partnership for Security and Prosperity, which we are starting today.

[Inaudible]—ways to help our citizens with healthier, safer, and more productive lives; for good jobs, for higher income; as well as a secure continent, cleaner water, cleaner air.

One thing is very clear, and that is when we work together as countries to make North America safer and more competitive, then the fact is all of the continent and all of our citizens benefit from that collective achievement.

The partnership that we are starting today acknowledges the fact that in a modern world, the objectives of prosperity, security, and a better quality of life have never been as interdependent.

What we seek to do is to improve the competitiveness of our industries, expand consumer choice by cutting redtape. We want to eliminate regulations that are a nuisance, not a necessity. And we want to maintain the highest standards of health care and safety for our citizens. We want to pursue agreed approaches based on sound science that will help us avoid the risk of hidden protectionism and, some would advocate, in responding to BSE. And I want to thank President Bush; I want to thank President Fox for the support that they have shown. We look forward to the day in the future when, notwithstanding all of the lobbying, all the legal challenges, all of North America is open to our safe and high quality beef.

In terms of security, we understand that protecting our borders is a crucial checkpoint on the road to our collective prosperity. Our safe borders secure our people not only against terrorism, but they make possible a speedy flow of goods, services, and people and information among our three nations. And standing on the shoulders of the Smart Borders Initiative, we are making new investments in security and in defense spending. Quite simply, Canada is a full and forceful partner in building a secure North America.

We have agreed—and I've got a long list here, Mr. President, which I'm going to forgo, basically a long list of items that we have agreed that we will task our ministers to accomplish, and then we will hold them to account, as we will be held to account by our people. Let me just say that this great—that these measures involve everything from how do we deal with our borders, how do we deal with infectious diseases, and how do we deal with fresh water concerns like Devil's Lake, which I will be talking to you about over lunch.

Let me just say that when a public health risk emerges, we want our laboratory centers in Winnipeg, in Atlanta, and in Mexico City talking to each other. We want to improve our air and our water quality, and we also want to make NAFTA work. And what that means—and, again, this is something we'll be talking about—is that we want the decisions of our dispute settlement panels to be respected and implemented. We want to resolve our differences in a fair manner based

on the rule of law. And I'll continue to press for the resolution of softwood lumber dispute, and I look forward to discussing means as to how we make this partnership work better.

Let me just say that we have committed as leaders to meet on a regular basis. We're going to do this to assess our progress.

The efforts deployed over the last decade have been fruitful. It is up to us now to meet the new challenges and to seize the new opportunities that present themselves to us.

Mr. President, the efforts of the past decade have been successful, but as we've said this morning, it now falls to us to respond to new challenges, to seize new opportunities. The Security and Prosperity Partnership is our commitment to do so together.

President Bush. Thank you, Paul. I appreciate that very much.

We'll now answer two questions a side. I'll start with Jennifer Loven [Associated Press].

Theresa Marie Schiavo

Q. Thank you, sir. Can you tell us what actions you support, since the Federal courts continue to decline to allow the reinsertion of Terri Schiavo's feeding tube? And have you discussed options, next steps with your brother the Governor of Florida?

President Bush. I have not discussed next steps with the brother—my brother, who is the Governor of Florida. I have looked at all options prior to taking the action we took last weekend in concert with Congress. And we felt like the actions taken with Congress was the best course of action. This is an extraordinary and sad case, and I believe that in a case such as this, the legislative branch, the executive branch ought to err on the side of life, which we have. And now we'll watch the courts make its decisions. But we looked at all options from the executive branch perspective.

Democracy in the Americas/Immigration Policy

Q. Mr. President Bush, many countries of Latin America in recent years have elected leaders from the left. What possibility do you see as far as the arrival of a leader from the left in Mexico in the future? And on security, how difficult is it for you to keep your na-

tional security policy in place when you have a border where terrorists can go through that border, according to your Cabinet? What do you think of those illegal crossings?

President Bush. I am pleased that there are democracies in our hemisphere. As a matter of fact, every country is a democracy except one, Cuba. And that's incredible progress. And I look forward to working with whomever the people of Mexico choose. The choices as to who will lead Mexico—or any other country—is not the choice of the United States President, the United States Government, or the United States people. It is the choice of the Mexican people. And I know the people of Mexico are proud of their democracy. I'm proud of the democratic traditions upheld by Vicente Fox.

In terms of the border, listen, we've got a large border. We've got a large border with Canada. We've got a large border with Mexico. There are some million people a day crossing the border from Mexico to the United States, which presents a common issue, and that is, how do we make sure those crossing the border are not terrorists or drugrunners or gunrunners or smugglers?

And I have told the President that we will—I will continue to push for reasonable, commonsense immigration policy with the United States Congress. It is an issue with which I have got a lot of familiarity. After all, I was the Governor of this great State for 6 years, and I dealt with this issue a lot, not only with President Fox's predecessor but with Governors of border States—Mexican border States, Tamaulipas and Nuevo Leon. And I know what—I know the issue well. And I will continue to call upon Congress to be commonsensical about this issue.

And the basis of the policy is that if there is a job opening which an American won't do, in other words—and there's a willing worker and a willing employer, that job ought to be filled on a legal basis, no matter where the person comes from. That makes sense. We need a compassionate policy. In other words, if this is in place, then someone will be able to come and work from Mexico in the United States and be able to go home, back and forth across the border in a legal fashion. That seems to make sense to me. It's a commonsensical way of doing things.

I think we ought to have a policy that does not jeopardize those who've stood in line trying to become legal citizens. We want to reward those who have been patient in the process. There's plenty of Mexican citizens who have applied for citizenship. They should—their position in line should not be preempted because of—there's a worker program. But there's a better way to enforce our border, and one way is to be compassionate and decent about the workers who are coming here to the United States.

And, Mr. President, you've got my pledge: I'll continue working on it. You don't have my pledge that Congress will act, because I'm not a Member of the legislative branch. But you will have my pledge that I will continue to push our Congress to come up with rational, commonsense immigration policy.

Cooperation in North America

Q. Thank you, Prime Minister. A question to yourself and to President Bush and President Fox as well. You've been talking about cooperation, what you, Prime Minister, referred to as the new generation of success or the next generation of success. Keeping in mind, in front of us, the European Union, how much is this partnership a first step towards continental integration? If so, how far would you like to go? And can you give us some sort of a roadmap and perhaps give us a distinction between partnership and integration?

Prime Minister Martin. Well, what we're really talking about here is not a big bang; we're talking about big progress. And if you look at each of the areas in which we have tasked our ministers, based on the work that they have already done, that is precisely what is coming out of this meeting, and that's precisely why we want to be able to measure the success and hold people accountable for the targets that we have set.

So when you're talking about security, there's no doubt about the importance of the security of our borders, given the increase in Canada's defense budget, our ability to work together, that obviously we want to make sure that there is the greatest degree of coordination between our defense and our border sources.

In terms of the economy, getting rid of nuisance regulation, making sure that we have better rules of origin, essentially what we want to do is to make sure, given the threat that we face from rising economies elsewhere, but primarily in Asia—both the threats and an opportunity, by the way—that, in fact, North America is as strong and as competitive as it can possibly be. And there should be no restriction on that—quality of life, the environment, how we work together—so that essentially what we really want to do is to make very, very substantial progress and to make sure that we continue to do it, so that the forces of protectionism never take over North America and that we're as competitive as we can.

I just wanted to say that what we're trying to do is not a big bang; what we're truly seeking to do is major progress. And this is in the field of border security, for example, what we have done so far. We went even further, and now the Government of Canada is spending money on its borders and its defense. And we're going much further in terms of elimination of nuisance regulations so that Canada can be competitive in the United States as it is in Canada and Mexico, but also maintaining quality of life, environment, working together. That's what we're seeking to do.

President Fox. Thank you. I feel that the purpose that we have discussed today is clear. This is an objective that has been coming on for several months now as a result of an intense dialog. We are talking about a partnership—that is the key word, “partnership”—a partnership for security and a partnership for prosperity, a partnership that is based on human capital and that aims to improve the quality of life. This is the key element of this new task that we have laid out for ourselves. We have built upon NAFTA's achievements. It is widely—the benefits of NAFTA are widely known, but now we find new challenges that demand that we take new actions. These actions are defined in the program that is being launched through these precise instructions that we have given our ministers, our working groups, and their instructions are to carry out these ideas in the next 90 days.

So we are going to work through several approaches, and our purposes are based on three pillars of this proposal. The three pillars are security, to address any threat that might arise from abroad, address internal threats. We need to address also the inefficiencies in the movement of people, merchandise, and goods. We must also look to join talent, strategy, and resources to improve North America's competitiveness with other countries and other regions of the world. We need a level of competitiveness that allows us to reach the objectives that we have laid out for ourselves.

We need to reduce the costs of doing trade. We have a lot of trade between our three countries, and we feel that we can still bring down the costs of trade much more, and that will allow the trade between our countries to increase even more. We think that the biggest challenge of the 21st century will have to do with human capital, investing in our people, investing in technology, and that is another thing that we are going to work on.

Moreover, we are partners in protecting the environment. We are partners to protect our natural resources. We are partners to protect the health of our people. And we are partners, too, in the broadest sense of the word. So that is the road that we have before us. We have a timeline, and we have responsibilities to carry out, and we will make sure that these things happen.

President Bush. The future of our three countries will best be served by establishing trade relations with the rest of the hemisphere. It's kind of the most logical extension of a vision that recognizes that common trading areas are going to be needed in order to maintain lifestyle, particularly as the Far East begins to emerge as strong competitors for capital and goods and services and markets.

We started to advance this idea in Quebec City, as a matter of fact, in 2001 with the Free Trade Agreement of the Americas. To me, that's the most practical extension of the recognition of the realities that we're all going to be facing as the 21st century evolves. In order to make sure that the Free Trade Agreement of the Americas has a chance to succeed, it is important to show the sovereign

nations in South America that trade has worked amongst the three of us. NAFTA has been a success. All you've got to do is go down to the border of our State. If you could have gone down 10 years ago and gone down today, you would have seen a marked difference of quality of life on both sides of the border. I mean, it's been a very successful program in order to lift the standard of living in Mexico and the United States.

And I think when people see that we're willing to continue to work through issues—Canada, the United States, and Mexico—it may make it more palatable for countries to recognize the benefits of trade. So that the vision that you asked about in your question as to what kind of union might there be, I see one based upon free trade, that would then entail commitment to markets and democracy, transparency, rule of law.

To this extent, we have entered into an agreement with the Central American nations called CAFTA. I think—I know it's an important part of the prosperity agenda throughout the hemisphere, and I asked Congress to make sure that they approve CAFTA this year.

Thank you. Caren [Caren Bohan, Reuters].

Situation in North Korea

Q. Secretary Rice has made clear that the United States is growing impatient with North Korea's refusal to come back to the six-way talks. And there has been talk that the United States has a June deadline. What consequences would there be if they don't come back to the talks? And also, is China doing enough to keep the pressure on?

President Bush. Thank you for bringing up Secretary Rice. She just got back from her trip Monday evening and came down to Crawford yesterday to brief me on the trip. I'm grateful that she took time out of her schedule to come down and talk about not only the discussions she had with China but discussions she had with South Korea and Japan, the leaders of India and Pakistan. And she also went to Afghanistan, so she had an extensive trip. It was about a 2-hour briefing. I want you to know.

We didn't set deadlines. What we said is what we've said to North Korea, "If you want

to—if you want the way forward, if you want to be accepted by the world, if you want not to be isolated, get rid of your weapons programs.” And fortunately, it’s not just the United States of America saying that. China says that. As a matter of fact, it was here at Crawford that Jiang Zemin, at the ranch, said that the foreign policy goal of the Chinese is for there to be no nuclear weapons on the Korean Peninsula. And Hu Jintao made that clear to Secretary Rice that that is still the objective of the Chinese Government, so we share an objective. We share a goal. The Japanese share that goal. The South Koreans share that goal. The Russians share that goal.

So we’ve got five nations saying the same thing to Korea—North Korea, and we’ll continue saying it to North Korea. And I’m a patient person, and so are a lot of people that are involved in this issue. But the leader of North Korea must understand that when we five nations speak, we mean what we say. And there is a way forward, and I repeat, for Kim Chong-il. And it’s his choice to make. We’ve made our choice. China has made its choice. The other countries have made their choices. And for the sake of peace and tranquility and stability in the Far East, Kim Chong-il must listen.

And so I am pleased with the report I got from the Secretary. I am pleased today that Hu Jintao and the Chinese Government expressed continued interest in this subject and understanding of the importance of the five of us working together to achieve the common objective that we have set out.

Immigration Policy/Energy

Q. Mr. Presidents and Mr. Prime Minister, I wanted to ask you what concrete actions do your Governments want to lay out in order to make this partnership a reality as far as energy markets, which is a very critical issue for all of our countries—energy markets? I also want to ask you, in this Security and Prosperity Partnership, when will you include the migratory—or immigration policy in this partnership? And, President Bush, I wanted to ask you about your opinion about those people who are hunting migrant people along the border.

President Bush. I’m against vigilantes in the United States of America. I’m for enforcing law in a rational way. That’s why we’ve got a Border Patrol, and they ought to be in charge of enforcing the border.

We talked about migration, of course; we spent a lot of time talking about migration. We’ve got a big border with Canada, a big border with Mexico, and it’s an important issue. But the issue on the borders is not just people; it’s goods and services. And so the agreements we’re talking about, the way to strengthen our relationships, of course, includes our border policy. And we’ll continue to include border policy.

I forgot the other part of your three-part question. What’s that—you have something else you asked? I can’t remember what it was.

Q. About energy.

President Bush. Oh, energy, yes.

Look, yes, we’re using a lot of it, and we need to conserve better in the United States. We’re dependent on energy from overseas, and we’ve got to become less dependent on energy from overseas. We appreciate the fact that Canada’s tar sands are now becoming economical, and we’re glad to be able to get the access toward a million barrels a day, headed toward 2 million barrels a day. And I want to thank—and that’s, by the way, an advantage for open trade. The American people must understand that when there is open trade, it helps solve our energy deficiency.

But one thing we can certainly do is cooperate better on sharing technologies. Look, we’re going to have to change our habits. We’re going to have to develop a hydrogen-powered automobile. And we look forward to working together. We’ve got integrated automobile industries between the three of us. And someday, hopefully, our automobile industries in our respective countries will be on the leading edge of technological change when it comes to helping change the habits of our consumers.

We’re going to need liquefied natural gas coming into our three countries and into our markets. And I look forward with the Presidents on how to develop more access to liquefied natural gas, which—and there’s a lot of natural gas in the world. The question is, how do we economically get it to our respective markets?

I recently went and saw those developing zero-emission coal-fired plants. I think we spent about a billion dollars on what's called the FutureGen Project. Look forward to working with our respective countries on sharing technologies and how to move forward to come up with zero-emissions coal-fired plants.

And so there's a lot we can do and will do on energy. But there's no question the United States of America is hooked on foreign sources of energy. And I put forth a strategy to the United States Congress in 2001; they're still debating it, the issue. Now is the time to get a bill to my desk; this is the year. People see the prices of their gasoline rising at the pumps, and I am concerned, and the American people are concerned. And it's now time to implement the strategies that we laid out in legal—in the law.

But, no, this is a very important subject matter. Thank you for bringing it up. We spent a lot of time discussing it.

President Fox. As far as concrete actions, the first concrete actions are those that have to do with all of the topics addressed by this Partnership for Security and Prosperity and quality of life. And the first concrete actions are going to be a specific charge of 90 days to present detailed ideas at 12 different working groups, working tables that have to do with the general ideas that we are laying out here.

Another concrete action that we have agreed to is that the three Presidents feel that about halfway through this 90-day period of time, we need to be able to assess the direction, the pace, and the degree to which these issues are becoming a reality towards the end of those 90 days. We want to be sure to have that final report be complete with all of the detail necessary, with all of the vision necessary that the Presidents have laid out.

Concrete actions in this sense also have to do with a sector-by-sector analysis so that from these analyses, we can create a strategy sector by sector, perhaps third-generation strategies that go beyond anything we've done before to make the economies work well jointly; also concrete actions as far as security along the borders and especially in our territories. Specifically in Mexico, we

want to ensure peace and tranquility for our society. We want to provide guarantee to our people that our security plans are working in every sense. Mexico has a very ambitious security package that starts with our southern border, with our brothers, friends, neighbors, and partners in Central America, where we also want to address the issue of security because, in the end, this has repercussions throughout North America.

Concrete action will be taken as far as quality of life issues, health, education. I repeat, we are going to write these down, write these objectives down in black and white and carry out—and have this plan well configured and consolidated within the next 90 days to make sure that it is feasible, because all of us have a sense of urgency. We want to make North America into the most competitive region in the world, and we can do it with actions in the fields of energy, education, technology, security, and through protecting our natural resources. This should serve to give us the level of competitiveness that we seek.

In effect, we discussed immigration. We discussed it as a trilateral issue. We discussed the issue of border crossings, and how we can protect our borders and be efficient along the border, and also how we can keep people from crossing who shouldn't be crossing and address the threats that our nations have faced. So this is something that we also look at jointly. And in the end, this also has to do with competitiveness, and it also has to do with reaching the objectives that we have for security and quality of life.

Prime Minister Martin. In terms of energy as—we all know of the tremendous capacity that exists within Mexico. President Bush has referred to the tar sands, which are a great, great opportunity. And in fact, the whole energy sector, I think, for all of us is a huge, huge opportunity in terms of our competitiveness with the rest of the world. But in addition to the tar sands, you've got our conventional sources. You've got the Beaufort, the Hull, the question of pipelines that eventually will be addressed.

But there are also other areas, renewables. The President talked about clean coal technology, as an example. Renewables are dependent upon technology. And we're putting a lot now into wind pump—into wind power.

There is, in the province of Saskatchewan, a major project going on in terms of CO₂ sequestration, which essentially will be a major factor in fighting—in the whole climate change issue, and tremendous opportunities for us using these new technologies.

But the other thing that I would like to highlight as well, in addition to nuclear, is Canada has great potential in terms of hydro-electricity—northern Manitoba, Quebec, Newfoundland, and Labrador, to simply only give you a couple of examples. And what we've got to do—especially looking at the failure of the electricity grid in North America a year ago—we've got to make sure that that grid is very, very sound. So the opportunities for cooperation are huge.

President Bush. The final question, Paul.

Canada-U.S. Relations

Q. My question is both to President Bush and Prime Minister Martin. You've had some very sharp differences with Canada in the past, especially on issues like missile defense. Has this strained relations? And is the door still open for Canada to join missile defense in the future, something you call fundamental to the defense of North America?

Prime Minister Martin. Our relationships are very, very strong and in a wide range of areas. And the fact that the three of us are meeting here today and that we have put out what is really quite an ambitious program that is going to be measurable, I think is an indication of that.

Are there differences of opinion? Of course there have; there have been throughout our history, and there will be in the future. On BMD, the file is closed. But our cooperation in terms of defense, in terms of our borders, in terms of the defense of our common frontiers, is very—is not only very clear but it is being accentuated. And I've got to take that one step further. The defense of North America is not only going to take place in North America. Canada is playing an increasing load, as an example—role in Afghanistan, and that's also part of the defense of North America.

So we're working together, and we're going to continue to work together increasingly in the whole way in which we establish

a common security, in which we protect it, in our defense.

With respect to the shield, this is an issue that is closed. But in terms of capacity to work together, this is something where we have provided major budgetary increases, because we want to protect ourselves at home in Canada. We want to assume our responsibilities in North America at the border level, in the north, and with the oceans. But we must also say that Canada will accentuate its role in Afghanistan. That shows you to what extent the defense of North America is not only here in North America, but really that speaks of the necessity to bring the battle beyond our borders.

President Bush. It's interesting, "sharp differences." I guess that's—"sharp" means kind of, if you think about what that means, that means maybe differences so that we can't have a positive relationship. I view them—look, we've got differences. I don't know if you'd categorize them as differences that would then prevent us from finding common ground. I don't view it that way. I can understand why people disagree with certain decisions I have made, but that doesn't prevent us from cooperating in intelligence sharing, for example.

You know, a lot is made about softwood lumber, and it's clearly a sensitive issue. I know it firsthand. I've heard it ever since I became elected President. People are frustrated that we haven't got it solved. I understand that. But think about all the trade we've got between our countries. And we've resolved a lot of issues in a positive manner, and we'll continue to resolve them. I mean, we had an issue with cows, and that is getting resolved. I'm amazed that we don't have more sharp—whatever you call them—disagreements because we're doing a lot together.

In other words, what I'm telling you is that I think the relationship is very strong and very positive. And just because somebody doesn't agree with our policy doesn't mean that we can't continue to have very positive relationships. The relationship with Mexico and the relationship with Canada are very important for the United States of America. And there's going to be disagreements and differences. And the fundamental question

is, do we have the capacity to continue moving forward with the relationship? And the answer is, absolutely.

And I want to thank the leaders for coming. People of our respective countries will see how vital these relationships are. And I look forward to our ministers reporting back with concrete action. They will be held to account, you're right, Mr. Prime Minister—and look forward to saying to our respective peoples that—and making clear that the relationship between America, Canada, and Mexico is vital to our mutual prosperity, mutual health, and the benefit of our folks.

Thank you all for coming. Good to see you all.

NOTE: The President's news conference began at 11:22 a.m. in the Bill Daniels Activity Center at Baylor University. In his remarks, he referred to Gov. Jeb Bush of Florida; former President Jiang Zemin and President Hu Jintao of China; and Chairman Kim Chong-il of North Korea. Prime Minister Martin made a portion of his remarks in French and President Fox spoke in Spanish, and their remarks were translated by interpreters.

Joint Statement by President Bush, President Fox, and Prime Minister Martin: Security and Prosperity Partnership of North America

March 23, 2005

We, the elected leaders of Canada, Mexico, and the United States, gather in Texas to announce the establishment of the Security and Prosperity Partnership of North America.

Over the past decade, our three nations have taken important steps to expand economic opportunity for our people and to create the most vibrant and dynamic trade relationship in the world. Since September 11, 2001, we have also taken significant new steps to address the threat of terrorism and to enhance the security of our people.

But more needs to be done. In a rapidly changing world, we must develop new avenues of cooperation that will make our open societies safer and more secure, our businesses more competitive, and our economies more resilient.

Our Partnership will accomplish these objectives through a trilateral effort to increase the security, prosperity, and quality of life of our citizens. This work will be based on the principle that our security and prosperity are mutually dependent and complementary, and will reflect our shared belief in freedom, economic opportunity, and strong democratic values and institutions. Also, it will help consolidate our action into a North American framework to confront security and economic challenges, and promote the full potential of our people, addressing disparities and increasing opportunities for all.

Our Partnership is committed to reach the highest results to advance the security and well-being of our people. The Partnership is trilateral in concept; while allowing any two countries to move forward on an issue, it will create a path for the third to join later.

Advancing our Common Security

We will establish a common approach to security to protect North America from external threats, prevent and respond to threats within North America, and further streamline the secure and efficient movement of legitimate, low-risk traffic across our shared borders. As part of our efforts, we will:

- Implement common border security and bioprotection strategies;
- Enhance critical infrastructure protection, and implement a common approach to emergency response;
- Implement improvements in aviation and maritime security, combat transnational threats, and enhance intelligence partnerships; and
- Implement a border facilitation strategy to build capacity and improve the legitimate flow of people and cargo at our shared borders.

Advancing our Common Prosperity

We will work to enhance North American competitiveness and improve the quality of life of our people. Among other things, we will:

- Improve productivity through regulatory cooperation to generate growth, while maintaining high standards for health and safety;

- Promote sectoral collaboration in energy, transportation, financial services, technology, and other areas to facilitate business; and invest in our people;
- Reduce the costs of trade through the efficient movement of goods and people; and
- Enhance the stewardship of our environment, create a safer and more reliable food supply while facilitating agricultural trade, and protect our people from disease.

Next Steps

We will establish Ministerial-led working groups that will consult with stakeholders in our respective countries. These working groups will respond to the priorities of our people and our businesses, and will set specific, measurable, and achievable goals. They will identify concrete steps that our governments can take to meet these goals, and set implementation dates that will permit a rolling harvest of accomplishments.

Within 90 days, Ministers will report back to us with their initial report. Following this, the groups will report on a semi-annual basis. Because the Partnership will be an ongoing process of cooperation, new items will be added to the work agenda by mutual agreement as circumstances warrant.

Through this Partnership, we will ensure that North America remains the most economically dynamic region of the world and a secure home for our people in this and future generations.

NOTE: An original was not available for verification of the content of this joint statement.

Message on the Observance of Easter 2005

March 24, 2005

For God so loved the world that He gave His one and only Son, that whoever believes in Him shall not perish but have eternal life.

John 3:16

I send greetings to all those celebrating Easter, the Resurrection of Jesus Christ. Through His sacrifice and triumph over

death, Christ lifted the sights of humanity forever. In His teachings, the poor have heard hope, the proud have been challenged, and the weak and dying have found assurance. Today, the words of Jesus continue to comfort and strengthen Christians around the world.

During this holy season, we thank God for His blessings and ask for His wisdom and guidance. We also keep in our thoughts and prayers the men and women of our Armed Forces—especially those far from home, separated from family and friends by the call of duty. May the joy of Easter fill our hearts with gratitude for our freedom, love for our neighbors, and hope for peace.

Laura and I wish you a Happy Easter.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

Proclamation 7876—Greek Independence Day: A National Day of Celebration of Greek and American Democracy, 2005

March 24, 2005

By the President of the United States of America

A Proclamation

Well before modern Greece gained her independence, the ancient Athenians adopted democratic principles that guided their society. These principles inspired our Founding Fathers to proclaim the imperative of self-government as they worked to build our great Nation. America's love for liberty has deep roots in the spirit of Greece. On Greek Independence Day, we celebrate our special ties of friendship, history, and shared values with Greece.

Our country has welcomed generations of Greek immigrants, and we are grateful for their talents, wisdom, and creativity. We honor the Greek spirit that values family and education, public service and faith. Greek Americans have made a mark in every field—enhancing our culture, enriching our commerce, and defending our freedom. Their strong record of public service has also

strengthened our democracy, and their contributions have made America a better place.

As we address the challenges of the 21st century, the United States and Greece remain committed partners in the vital work of advancing freedom and democracy. Our two Nations are founded on shared ideals of liberty, and we are working together to advance those ideals across the world today.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim March 25, 2005, as Greek Independence Day: A National Day of Celebration of Greek and American Democracy. I call upon all Americans to observe this day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this twenty-fourth day of March, in the year of our Lord two thousand five, and of the Independence of the United States of America the two hundred and twenty-ninth.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., March 28, 2005]

NOTE: This proclamation will be published in the *Federal Register* on March 29.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

March 19

In the morning, at the Bush Ranch in Crawford, TX, the President had an intelligence briefing.

During the day, the President met with Assistant to the President and Deputy Chief of Staff Joe Hagin to discuss legislation concerning Theresa Marie Schiavo.

March 20

In the morning, the President returned to Washington, DC, arriving in the afternoon.

March 21

In the morning, the President had an intelligence briefing. Later, he traveled to Tucson, AZ. While en route aboard Air Force One, he met with Representatives Bob Beauprez and Joel Hefley of Colorado and Representatives Trent Franks and John B. Shadegg of Arizona. Upon arrival in Tucson, he met with USA Freedom Corps volunteer Russell Gursky.

In the afternoon, the President traveled to Denver, CO, where, upon arrival, he met with USA Freedom Corps volunteer Harold Brewer.

In the evening, the President traveled to Albuquerque, NM.

March 22

In the morning, the President had an intelligence briefing. Later, he traveled to the Bush Ranch in Crawford, TX, arriving in the afternoon.

March 23

In the morning, the President had an intelligence briefing. Later, he traveled to Waco, TX.

Later in the morning, at the Armstrong Browning Library at Baylor University, the President met with President Vicente Fox of Mexico and Prime Minister Paul Martin of Canada.

In the afternoon, the President and President Fox and Prime Minister Martin traveled to the Bush Ranch in Crawford, TX. Later, they had a working lunch and toured the ranch.

The President announced his intention to nominate Timothy D. Adams to be Under Secretary of the Treasury (International Affairs).

The President announced his intention to designate Arnold I. Havens as Acting Deputy Secretary of the Treasury.

March 24

In the morning, the President had an intelligence briefing.

The White House announced that the President will travel to Latvia, the Netherlands, Russia, and Georgia on May 6–10 to commemorate the 60th anniversary of the end of World War II.

The President announced his intention to nominate Sean Ian McCormack to be Assistant Secretary of State for Public Affairs.

The President announced his intention to nominate Ellen G. Engleman Connors to be Chairman of the National Transportation Safety Board.

The President announced his intention to nominate Mark V. Rosenker to be a member of the National Transportation Safety Board and, upon confirmation, to designate him as Vice Chairman.

March 25

In the morning, the President had an intelligence briefing.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released March 20

Transcript of a press gaggle by Press Secretary Scott McClellan

Released March 21

Transcript of a press gaggle by Press Secretary Scott McClellan

Statement by the Press Secretary announcing that the President signed S. 686

Announcement of nomination for Special Assistant to the President and Senior Director for Counterproliferation Strategy

Announcement of nomination for Senior Associate Counsel to the President and National Security Council Legal Adviser

Announcement of nomination for Special Assistant to the President and Senior Director for Legislative Affairs

Released March 22

Transcript of a press gaggle by Press Secretary Scott McClellan

Released March 23

Fact sheet: Security and Prosperity Partnership of North America

Fact sheet: Security and Prosperity Partnership of North America: Security Agenda

Fact sheet: Security and Prosperity Partnership of North America: Prosperity Agenda

Released March 24

Statement by the Press Secretary: President Bush To Travel to Latvia, the Netherlands, Russia, and Georgia

Released March 25

Statement by the Deputy Press Secretary announcing that the President signed H.R. 1160 and S. 384

Acts Approved by the President

Approved March 21

S. 686 / Public Law 109–3

For the relief of the parents of Theresa Marie Schiavo